

JPRS-WER-85-007

19 January 1985

# West Europe Report

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19 January 1985

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SWEDISH FOREIGN MINISTER STILL HOPEFUL ON CORRIDOR PLAN

Encouraging Diplomatic Reports Cited

Stockholm DAGENS NYHETER in Swedish 16 Dec 84 p 8

[Article by Harald Hamrin]

[Text] In the opinion of Sweden's Ministry of Foreign Affairs [UD], the proposal for a nuclear-free corridor in Central Europe has gotten a few nudges forward over the past year.

It may therefore be the proper time for Sweden to make a more formal move to establish such a corridor. Realistically, however, such a move is scarcely possible before the end of 1986.

On Monday the UD will issue a press release commenting on recent developments in connection with the corridor issue. In it, the UD can be expected to draw attention to a number of positive comments on the corridor plan by former U.S. Secretary of Defense Robert McNamara and, just recently, Denmark's Prime Minister Poul Schluter, among others.

UD press secretary Lars Lonnback has told DAGENS NYHETER that it should not be expected, however, that the corridor issue will be brought up at the current Stockholm Conference on confidence-building measures. On the other hand, it is not impossible that the issue will be brought up by Sweden in the fall of 1986.

That is when the so-called followup meeting will be held in Vienna. At that meeting, the 35 nations participating in the Stockholm Conference will discuss continuation of the so-called European Security Conference process. It is reasonable to assume that in the terms of reference for the continuation of the Stockholm Conference after 1986, Sweden--if the Palme government is still in office after the 1985 election--will try to include a debate on the Central European corridor.

Sounding out Opinion

It was in the fall of 1982 that the newly installed Palme government addressed its "feelers on the corridor" to the governments of 35 countries (every

European country except Albania, plus the United States and Canada). According to the proposal, which dated back to the Palme Commission's report of June 1982, a 300-kilometer-wide zone free of so-called battlefield nuclear weapons (tactical weapons with very short range) would be established in Central Europe on both sides of the border between the FRG in the West and the GDR and Czechoslovakia in the East.

In March 1983, DAGENS NYHETER was able to reveal in a series of articles that the Swedish corridor initiative had won the active support of the West German Social Democratic opposition politician, Egon Bahr.

As a result of Bahr's participation, the Swedish initiative was speeded up so much that the customary diplomatic preparatory work could not take place. In addition, the content of the corridor plan underwent certain changes with respect to the Palme Commission's proposal.

For both of those reasons, the reaction--chiefly from the direction of NATO--turned more negative than it might otherwise have been. Even several neutral countries were unresponsive to the proposal. The Soviet Union and the other Warsaw Pact countries were favorable, however, and even proposed that the width of the corridor be increased from 300 to 600 kilometers.

#### Breaking the Silence

After the responses to the Swedish initiative were received from the various countries and analyzed by the UD in Stockholm during the summer of 1983, there was relative silence on the corridor issue. From all indications, it is that silence which Minister of Foreign Affairs Lennart Bodstrom wants to break now by issuing Monday's press release.

According to what DAGENS NYHETER has learned, the release will admit that opposition to the corridor plan is still strong in many quarters, but it will also claim that positive changes in attitude can be detected in some quarters.

#### Limitation

One thing the UD in Stockholm did in preparation for its assessment was to compile reports on the corridor issue from Swedish embassies in the NATO capitals. That compilation, which was made last summer and is classified secret, was later supplemented with other material.

The UD's compilation, which DAGENS NYHETER was able to examine, ends with the statement that "a forward deployment of battlefield nuclear weapons appears to many to be neither militarily nor politically desirable." The UD therefore draws the conclusion that "there is every reason to expect further unilateral decisions on the withdrawal" of NATO's short-range battlefield weapons.

What the report is alluding to is NATO's decision in the fall of 1983--at a meeting in Montebello outside Canada's capital, Ottawa--to withdraw 1,500 of its 6,000 tactical nuclear warheads from West Europe.



There is no direct connection between the Montebello decision and the corridor proposal, and the UD does not claim that there is. But at the same time, it is obvious that the UD wants to view the reduction in the number of NATO nuclear weapons as an indication that the matter has been reconsidered in a way favorable to the corridor plan.

The Swedish Embassy in Bonn reports, for example, that in the FRG there has been "a clear movement in strategic thinking" in the direction of limiting the role of battlefield nuclear weapons.

The UD's compilation says: "For natural reasons, there is no reason to want to base one's security on those weapons, which are destined to be used on German soil."

#### Obsolete

And from London, it is reported that the government "may be thinking of" large-scale reductions in the number of battlefield nuclear weapons.

In Washington, according to the UD, it is being said that the policy on nuclear weapons can be "expected to move toward greater restraint."

"In the long run, battlefield nuclear weapons will probably be replaced by longer-range and highly accurate weapons. New military technology aimed at increased mobility will make battlefield nuclear weapons prematurely obsolete."

In Oslo, where Prime Minister Kare Willoch is said to have made "an almost brutally negative statement on the corridor proposal" during the visit by his Swedish counterpart Olof Palme in November 1983, the proposal is now receiving "considerably more positive treatment." The Norwegian Government currently views the corridor plan as "an important confidence-building measure."

And from Copenhagen, it is reported that "in the long run," one can anticipate "increased interest in the corridor proposal on the part of the NATO countries."

#### Delay

An interesting comment is made in the reports from the Swedish Embassy in Bonn: in the West German capital, according to the UD, "unilateral reductions in battlefield nuclear weapons" are seen as "clearly desirable." On the other hand, it is said that negotiations with the East on mutual reductions would only delay a development which is in the FRG's and NATO's own interest.

The embassy in Bonn also reports that the deployment of new U.S. medium-range nuclear weapons--Pershing 2's and cruise missiles--is, paradoxically enough, facilitating a reduction in the number of short-range tactical nuclear weapons. From positions further in the rear, those new, longer-range weapons can carry out missions which until now have been assigned to tactical nuclear weapons.

Incidentally, the same comment is made in a recently published report from the Danish Ministry of Foreign Affairs--the so-called Dyvig Report--which states



that "the development of longer-range nuclear weapons has perhaps made the shorter-range systems less important militarily."

#### Negative Attitude

The Swedish UD's compilation is unclear on two points:

First, it is not always clear whether the rethinking being noted in several NATO capitals is taking place within the governments of those countries or is simply being reflected in the general political debate.

Second, it is also unclear whether the rethinking is concerned with the role of battlefield nuclear weapons in general or, more specifically, with the negative attitude toward the corridor proposal.

In recent talks by DAGENS NYHETER in several West European capitals, high-level experts have pointed out that their respective governments still have a negative attitude toward the corridor plan. At the UD in Stockholm, however, the view is that judging from the reports received from the Swedish embassies, there is reason to view the future prospects of the corridor plan more optimistically.

#### Renewed Push in United Nations

Stockholm DAGENS NYHETER in Swedish 18 Dec 84 p 7

[Article by Harald Hamrin]

[Text] The international debate surrounding the Swedish proposal for a nuclear-free corridor in Central Europe has been encouraging. Sweden will therefore pursue the matter further in the United Nations, within the framework of the so-called Helsinki process, and elsewhere.

This is noted by the UD in a press release issued on Monday. The communique is based on a lengthy secret report prepared by a working group under the leadership of Pierre Schori, under secretary of state for foreign affairs.

It is noted in the press release that a number of experts, independent participants in the debate, and political parties in various NATO countries have expressed support for the corridor plan over the past year. At the same time, it is admitted that "substantial objections" remain within the governments of several important NATO countries.

#### Decision Welcomed

The group also welcomes NATO's decision in Montebello, Canada in the fall of 1983 to unilaterally withdraw a large number of battlefield nuclear weapons.

But it emphasizes at the same time that a nuclear-free corridor would be of "special confidence-building value if it were implemented through an agreement between the military alliances." In that way, the connection between the

nuclear-free corridor and measures relating to the conventional balance of forces "could be taken into account."

#### Misgivings

In its press release, the UD's working group also expresses "misgivings concerning possible proposals seeking to compensate for battlefield nuclear weapons with more offensively oriented technology and doctrine concerning the conventional area." The wording includes an allusion to NATO's plans to build up a defense based on new conventional but extremely accurate weapon systems.

The press release also says that Sweden intends to pursue the corridor issue further in bilateral talks related to the second phase of the Stockholm Conference, which is expected to start in 1987, and in the United Nations.

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CSO: 3650/95

## ASPECTS OF EUROPEAN DEFENSE COOPERATION IN NATO

## Deputy Sees Urgency

Rotterdam NRC HANDELSBLAD in Dutch 30 Nov 84 p 7

[Article by PvdA member of the Second Chamber Klaas G. de Vries: "The Role of Europe Within the Atlantic Alliance: European Cooperation in the Area of Defense is Urgent..."]

[Text] It was a year ago this fall that the first American medium-range missiles were deployed in Western Europe. There are now a hundred or so of them in place. Also this fall, the U.S. Senate addressed once again a long-beloved issue: the withdrawal of American troops from Western Europe.

Some will feel this to be a strange coincidence. The deployment of missiles has after all largely been called for with the argument that, through it, the "coupling" of the defense of the United States and of Western Europe would become even more solid. But few people have ever denied that the presence of 300,000 Americans in Europe has in fact provided the most convincing proof of transatlantic solidarity. What becomes of this "coupling" when faced with more missiles and fewer troops?

The Senate has certainly wrestled with the allied political agenda before. In 1967 NATO decided to introduce the strategy of "appropriate response." The threatening of an enemy with total nuclear destruction was not considered credible under the circumstance that such an act would bring with it total self-destruction. One had to be able to react to forms of aggression "appropriately."

In this way, a stronger emphasis began to be put on conventional armed forces. The U.S. Senate felt that this was a suitable starting point for increasing support of Sen Mike Mansfield of Montana in his annual attempts to bring American troops home, which would undermine the new strategy to a significant degree.

## Coalition

In May 1971 it appeared that Mansfield would gain a decisive majority in the Senate for his plan. The Nixon-Kissinger administration pulled out all the

stops in opposition. And fortunately there was the help of Leonid Brezhnev, who announced from Tbilisi in the Soviet republic of Georgia that his country was ready to negotiate with the United States about bilateral troop reductions. Mansfield could not win over a coalition like that; his amendment was rejected by a vote of 61 to 36.

The new discussion was brought up by Sen Sam Nunn from the state of Georgia. The heart of his amendment, again defeated (55-41) under heavy pressure from the White House, amounted to the following. If the European allies do not keep their promise to increase defense expenditures by three percent (after inflation) every year, the United States should withdraw from Europe 100,000 troops over a 3 year period. In other words, if the Europeans are not going to do more for conventional defense, the Americans are going to do less.

In Germany this was taken as blackmail. According to Senator Roth, cosponsor of the proposal, it does not mean that the United States is abandoning Europe. The remaining 200,000 troops are adequate as a "trigger wire." Their presence, Roth said in The Hague, guarantees even so the rapid firing of nuclear weapons.

#### Going to Great Pains

There is certainly something to be said in response to Nunn's position that the allies in Europe are falling short in living up to their obligations. First of all, Europeans do a great deal for defense. Alexander Haig, while he was U.S. secretary of state, once said that the Americans have no conception of the enormous contribution made by their allies. When he was supreme allied commander of NATO, he would have gotten 90 percent of his ground troops, 80 percent of his airborne forces and 75 percent of his naval forces from the European allies, had a conflict broken out.

NATO was and is for the United States "a very cost-effective operation." According to Haig, it was once calculated that the United States would have to double its defense expenditures in order to keep the same level of security without NATO.

The European ministers of foreign affairs and of defense are also going to great pains to make it clear in the United States how much Europe does for defense. But the nice films and folders have little effect. In fact, just as little effect as the official American reports, which speak highly of the European contribution.

Nunn is aiming his sights on the three percent real growth figure, which is not being achieved. Members of NATO did indeed reach agreement on 8 May 1977 that the increase should be "in the region of three percent." At the same time it was recognized that for some individual members, economic circumstances would have an influence on what could be accomplished, while more could be expected of others in view of actual defense expenditures.

In 1978 these clauses were no longer being repeated; the three percent "gain" figure remained, with the result that Atlantic defense talks have been repeatedly poisoned by squabbling about tenths of percentage points of real growth.

The energy tied up in this could of course be better devoted to rationalizing the expenditures that are taken as the basis for calculating growth. Unfortunately, this discussion has run aground in the inertia of Brussels NATO bureaucracy and in the unwillingness of all the component national armed forces to calmly reconsider the meaning of their existence.

Concentrating all attention on the growth in defense expenditures naturally diverts attention from the essential questions that the alliance ought to be discussing. There are radical differences of opinion on the most fundamental question, that of how the alliance should strive for peace and security. Is the alliance an instrument for possibly promoting detente as well, or does it mostly serve to combat communism until the end of our days?

There is also a great amount of variety in outlook concerning the military threat posed by the Warsaw Pact. From the debate on "emerging technologies" it has become clear that there can be very diverse thinking about the mapping of strategy. Above all else, the European and American views on the significance of a conventional war in Europe are different.

Nunn is emphatically pursuing a situation in which such a conventional war could last for a longer period of time. For the countries that form the battlefield for such a war, this is naturally not the most desirable development.

Also, if one looks at the contributions made financially by the various countries to the alliance, the problem becomes somewhat more complicated than the three percent debate leads one to believe.

### "Input"

First of all, the three percent figure means "input": how much more money are you going to spend? The enormous increase in defense expenditures in the United States resulted first of all in new main offices for all weapons manufacturers and subsequently in spectacular increases in the price of their products due to forced production. Of course, that is an indefensible position. It is a question of "output": what do you gain through your spending?

For this reason, the question of how and for what the sum total is employed continues to be more relevant than the issue of the margin of increase in spending. For example, if the Americans want to spend an amount many times that of the Dutch defense budget on space warfare, this need not be a criterion for others. One might also consider the comments made last week by the departing chairman of the Senate Armed Services Committee: "Many weapons systems are prolonged because important members of Congress say so, entirely apart from military necessity."



Furthermore, the fact that the Europeans spend up to 10 times more money on defense materials in the United States than does the United States in Europe plays a major role for the Europeans. This is not only of interest because of employment; in this way, Europe structurally subsidizes American technological superiority as well.

Beyond this, there are for each country still other specific considerations. The Scandinavians entertain thoughts of a Nordic balance, and the Germans are carefully avoiding the impression that the military apparatus supersedes any other priority. Other countries are struggling with enormous economic problems. Considerations based on geographic location, history and economics must be balanced out in each country such that the support of the population is not lost. In addition, all European countries have in the meantime recognized more or less that they are no longer a world power.

### Libation

In terms of defense policy, the method chosen by Nunn and others is not readily understandable. Certainly, a breakthrough is coming in the negotiations on bilateral troop reductions in Vienna. The Russians are being rewarded for their patience. But the Senate has not yet studied what the psychological and strategic effects of a massive withdrawal of Americans from Europe would be. The reaction of the world would be a gamble: poker as defense policy.

It seems to me that there is only one conclusion for Europe. At some point the Senate will demand the withdrawal of troops. Perhaps it is not far away. A libation for the senator from Georgia is too much an honor. A serious discussion with the United States continues to be a necessity, but European cooperation in the area of defense--politically, militarily and industrially--is urgent. It appears as if the ministers who gathered last week in The Hague understood the writing on the wall.

### Technological Considerations

Rotterdam NRC HANDELSBLAD in Dutch 30 Nov 84 p 7

[Article by Winfried Ruigrok and Bob de Ruiter of the Department of International Relations and International Law at the University of Amsterdam: "... But Does Not Promote Detente: European Defense Policy: A New Phase in Neo-Protectionism"]

[Text] The controversy surrounding the modernization of medium-range missiles in Europe has contributed considerably to the attention currently being focused on the role of Western Europe within the Atlantic alliance.

There is pressure from conservatives and progressives alike--from Kissinger, Schmidt, Faber and Brugsma, among others--in favor of a larger role for Western Europe in defense affairs. There are, however, quite divergent aims and outlooks at play here. The discussion that is under way is being



accompanied by concrete steps in the direction of European military cooperation. In this way, new life has been breathed into the WEU (West European Union), and consultation within the framework of the IEPG (Independent European Program Group) has been reactivated.

Last week's meeting of the IEPG in The Hague shows that a European "identity" is indeed taking shape, although the objectives are of a more pragmatic nature than many had hoped. European cooperation in the area of defense is limited to materials and is aiming for a more even distribution of weight within NATO.

One factor that has continued to this day to draw less attention than it should is the fact that considerations of a technological nature also play a role in growing West European cooperation.

#### Lost Ground

Better coordination of West European defense efforts increases the chances of, and is partly directed towards, making up ground lost by European technology to the United States and Japan.

Since the end of the 1970s, international competition in the area of highly developed technology has increased considerably. All large industrial nations realize that their economic position in the future will be determined particularly by their ability to develop and apply new technologies.

Competition is concentrated in a number of strategic sectors from which a radiating effect is expected to other areas. Government stimulation is assuming such large dimensions that there is in fact talk of a "subsidy race." The OESO [Organization for Economic Cooperation and Development] is talking about "neo-protectionism" with reference to this government policy. This is a combination of protectionist measures (through tariff or non-tariff barriers) and a focused industrial policy.

In the United States, government support is mostly given indirectly, by way of the Pentagon. The American secretary of defense organizes joint projects for American industry from which all participating companies profit (see also J. L. Heldring in his column of 13 November 1984). Apart from that, the fact remains that an indirect (realized by way of military expenditures) policy of support is less effective than direct (civil) stimulation.

There is a fear in Western Europe of missing the connection with international technological development because of the policy being pursued in the United States. Because of this, for example, there is an effort being made within the context of the EEC to better coordinate the separate (national) support programs.

The European Commission and a dozen European technological producers gathered their forces in the Esprit project, among others, in order to stimulate the development of European information technology. However, it does appear certain that the Esprit program alone will not be able to make up for the lag in technological knowledge.

## Pressure

The role of neo-protectionism is also clearly discernible in the issue of the distribution of weight within NATO. Pressure is being exerted by the United States to make the West European nations assume a larger part of the costs of the Atlantic defense, while the position on this side of the ocean is that Western Europe must share more in the advantages of the alliance (in the form of orders for defense material).

One of the intended results of pushing for a larger European contribution to NATO expenses is that civilian expenditures for research and development in Western Europe be put under pressure. However, it is increasingly being pointed out in Western Europe that NATO military expenditures are made primarily in the United States.

The United States has thus far been the purveyor of NATO, and the compensatory orders for defense material that have been promised the West European countries clearly do not represent much. U.S. law impedes the import of foreign weapons systems in order to not become dependent on foreign countries in meeting national defense needs.

The present situation in fact amounts to European support of American industry. Support that European industries themselves could use just as well. An additional factor is that the American government is not prepared to cooperate in the transfer of technology within the alliance. It views this as a matter to be decided by the companies involved.

However, from the European perspective this means that technological progress achieved partly thanks to European money is lost to Europe.

### "Two Way Street"

Against this backdrop are the calls being heard for closer military cooperation by the West European countries. This cooperation is apparently taking shape, especially within the IEPG. The WEU could provide the political framework for this cooperation. A European military industry that is competitive is generally viewed as a necessary condition for bringing about a "two-way street," meaning mutual defense deliveries.

Whether it is a sufficient condition remains to be seen. It is not very likely that the United States is ready to give up its autonomy in the area of weapons production. A sharpening of the present neo-protectionist policies of the United States and of Western Europe can instead be expected.

European economic interest in orders for defense material that would otherwise be made elsewhere is great. But the significance of military stimuli such as these, especially with respect to the "spinoff" effects, must not be overestimated. The problems in Europe, as in the United States, have not so much to do with the development of new techniques and products (product innovation), as with the appropriate organization of the production process (process innovation).

Military stimulation is especially oriented towards product innovation and not towards process innovation. The military machinery is after all primarily concerned with acquiring tour de force weapon technology and not with subsequently applying this to the civilian production process.

An entirely civilian stimulative policy, oriented towards process innovation, would be much more effective for European industry. However, a 100 percent civilian stimulative policy is not feasible in view of the present relations between East and West (and between the United States and Western Europe).

This is in part due to internal relations within Western Europe. The military industries in France and England were able to remain in existence after the Second World War while in West Germany its range and activities were limited. Thus, civilian industry constitutes a larger part of the total industrial apparatus in West Germany in comparison to France and England.

#### Benefits

Should the West European nations pursue only a civilian stimulative policy, this would support West German industry overproportionately. If military industry is supported as well (for example, within the context of the IEPG), this slanted proportion is to a certain extent set right again.

There are unmistakable political and economic benefits involved with closer European military cooperation, although long-term prospects are not entirely favorable. A more favorable distribution of weight from the European standpoint puts Western Europe in a better position to meet the continuous pressure to raise defense expenditures. This would mean that the threat of an American withdrawal from Western Europe would be warded off in the short run. However, conflicts about the distribution of NATO "payoffs" could indeed give rise to alienation in the long run.

Moreover, a European defense policy such as this does not promote detente and rapprochement between Eastern and Western Europe (which was in fact associated with a "European alternative"). The negative reaction from the East Bloc to bringing the WEU out of the icebox is an indication of this.

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CSO: 3614/44

## CRUISE MISSILE DECISION, BELGIAN CREDIBILITY

Brussels LE SOIR in French 21 Nov 84 p 3

[Article by Francis Unwin]

[Text] In the interview which he granted LE SOIR yesterday, Prime Minister Martens mentioned two risks of accidents for his government: the judgements of the council of state on the nominations of three burgomasters. And the missiles. If the government gives the green light, the prime minister reminded us, the first cruises will be installed in mid-March; but before making this decision, we will carry out an evaluation of the relations and negotiations between the Americans and the Soviets. Martens thus only reiterated the Belgian position, which consists of evaluating the situation every 6 months before the government and he himself change the light from yellow to green. Let us also remember that practical modalities of deployment are under the exclusive jurisdiction of the defense minister, and it is anticipated that the 48 cruise missiles are, if nothing changes, to be installed in Belgium and to be operational in 1987.

Granted this, Martens volunteered that the government finds itself in a situation which is delicate to say the very least.

In internal matters, the recent successes of the SP (Socialist Party), which has become the second Flemish party and is hostile as a matter of principle to any installation of missiles in Belgium, will probably have a contagious effect like that already felt at the level of the troops and cadres of the CVP (Christian Democrat Party). This is proved by statements like that of Luc Vanden Brande, leader of the CVP in parliament, declaring, some time ago, that it was urgent not to decide anything before the end of 1985..... This very closely resembles the position of the Netherlands, which will not make a final decision until 1 November of next year, if the Soviets have more SS-20's at their disposal then than now and if no negotiations are in progress. This, incidentally, quite significantly goes

beyond the "few reservations" to which Martens referred in his interview about Holland.

Finally, a confidential American survey, made at the end of May and published 19 September by LE SOIR, showed that while 68% of Belgians feel that the country's security depends on NATO and while 67% do not have blind confidence in the USSR's respecting eventual arms limitation agreements, 59% nonetheless are fundamentally opposed to the installation of intermediate range missiles in our territory and in Europe.

Belgium, "Faithful Ally"?

In foreign affairs, things have certainly been going a bit better since the Russians and Americans--the latter heartily encouraged by their European allies--seem committed to discreetly explore the modalities of resuming nuclear arms control talks. But within the two camps themselves, we have discovered from various sources, unanimity is far from being reached on what ought to be included in the negotiation package.

Currently in Budapest with Leo Tindemans, minister of foreign relations, Martens declared to the Hungarian press agency MTI that the "small countries of Europe can and should play a significant role in the efforts to reduce tensions between the super powers". The daily paper MAGYAR HIRLAP agreed by precisely characterizing the improvement of East-West relations "as a problem which must be addressed without delay." On the Belgian side, it was added that since Hungary and Belgium were faithful allies, this made them even more credible in the eyes of Moscow and Washington.

In Washington

As a matter of fact, there will be an opportunity to measure the extent of Belgian credibility in the American capital on 14 January, the date on which Martens and Tindemans are to make a "working visit" there. Was it not Tindemans himself who stated, in reference to the vicissitudes of the Pegard affair, that the aforementioned credibility had suffered, so to speak, a "damned strong blow".... At the same time, on the American side, it was said, more or less discreetly, that the faithful ally had become a "problematical ally."

It is true that on the level of broad diplomatic objectives, we are on about the same wave length, and that the exploratory missions to the East undertaken recently by the minister of foreign relations do not involve anything which should upset the state department, or the pentagon, which after all would rather see ministers travel than hardware. It is also true that if the arms control dialogue of the superpowers is going to start again, it will certainly not be because of the demands of Martens' agenda. But if it resumes soon enough, will the Belgian government still remain as determined to give the green light to the installation of the first cruise missiles in mid-March?

And, even if the dialogue has not formally resumed, won't the evaluation of relations between the two great powers, to which the prime minister also referred in his interview, be judged sufficiently positive to create a temptation to leave the light on yellow a bit longer?

12666

CSO: 3619/25



## CVP'S SWAELEN DEFENDS PARTY'S STANCE ON MISSILES

Bruessels LE SOIR in French 5 Dec 84 pp 1, 2

/Text/ Recently, Vice Prime Minister Gol seems to be having difficulty disassociating his role as a distinguished member of the government from his former role as president of the PRL (Walloon Liberal Party).

Thus, in questions of peace and security, he defends the position of the Liberals, rather than that of the government. Gol would do better to align himself with the government's statement on this subject. The CVP /Flemish Social Christian Party/ believes that no one should gamble in this matter.

In my capacity as president of the CVP, I have always vigorously defended the position on the question, adopted by my party several years ago and recently reaffirmed.

This position is incorporated in the government's 1981 statement. This statement--it cannot be repeated too often--was signed by all the ministers in the government. New developments that have arisen within the framework of negotiations about peace can only be cause for rejoicing. It must be accepted that this recent evolution will influence the policy followed up to the present and that adjustments will have to be made, even if to do so means doing some damage to one's own conceptions and options. The CVP weekly ZEG objectively recounts the efforts made by Flemish Social Democrats within the government and by the CVP to promote, in collaboration with others, a renewal of the dialogue between the USSR and United States.

I am happy and proud to be able to state today that these efforts have contributed to this first result, modest though it may be.

It is now to be hoped that new prospects for disarmament negotiations will open up, favoring a more durable peace, and that a little warmth will come into a world that little by little was sliding toward a cold war climate, which was a dramatic development.

In the CVP's view, renewal of the dialogue is a very important fact. It is also invaluable, not only for peace but for us all. The Americans and Soviets are going to resume negotiations with the firm intention of achieving tangible results on the disarmament question.

A little history will contribute to a good understanding of the problem: the CVP's position and that of the government are based on a twofold decision taken by NATO at the end of the 1970's.

This decision was also approved by the Socialists, but at the time they were part of the government. Now the Socialists repudiate their signature.

At the time this government was installed in office, the Social Christians and Liberals formally declared that they would respect this decision.

This decision implies that "The NATO countries declare their agreement not to install medium-range missiles provided that the Soviets--on the basis of negotiations--are willing to withdraw the SS-20 missiles they have already installed."

In case the USSR refuses, several NATO countries will proceed to install missiles in response to this "threat."

The Soviet Union rejected this offer. And in September 1980, the three-party government (including the Socialists) adopted the position to which the present government (and therefore the CVP) still subscribes.

When the first missiles were installed in the West in 1983, the Soviets left the negotiating table. All dialogue was blocked, a dangerous situation. Many people, among them many Christian Democrats, worked for the resumption of dialogue. This is what has now happened and no one is complaining.

In my party's view, this resumption of negotiations, which is a new fact, should logically have an effect on the possible installation of missiles on our territory.

This thesis is perfectly consistent with the government's statement and NATO's twofold decision.

This is why the CVP general council declared on 24 November last: "The CVP asks the government, when it next evaluates the international scene, not to give approval for the installation of cruise missiles in our country next March."

In fact, we should give these new negotiations a real chance. We would not be doing so if we were to decide now to proceed with the deployment of cruise missiles on our territory.

Every 6 months, our government will examine and evaluate, in concert with our allies, the state of the question and the development of the negotiations.

Thus, we remain faithful to our word and to the government's statement. Thus, we remain loyal allies of NATO.

The chances for a durable peace are looking up. Let us not squander them!

12336

CSO: 3619/32

## SOCIALIST'S SPITAELS ON CRUISE MISSILE DEPLOYMENT

Brussels LE SOIR in French 11 Dec 84 pp 1, 2

/Editorial by Guy Spitaels: "We Must Be Consistent"/

/Text/ A sign of the well-established pre-election climate, the problem of the deployment of Euromissiles in Belgium has seen in recent weeks an extraordinary revival in political circles.

And in spite of the good-natured assurances of the head of the government, an "Exocet" hitting Martens V would not have caused more havoc in the majority party than the resurgence of this problem.

The confrontation between Swaelen and Gol, the antagonism of the PVV /Party for Freedom and Progress/ toward the head of the CVP /Social Christian Party/ group in the House, the recent position of the CVP rejecting the deployment of missiles, planned for 1985, calling for renewable 6 month moratoriums, not to mention the possibility of suspending or cancelling the preparatory work carried out in Florennes, and finally the indignation of a former PSC /Christian Socialist Party/ minister, Mr Desmarets, against these proposals, all that demonstrates the disarray, which reigns in the government camp and in which there have been spectacular reversals in position.

Actually, many CVP parliament members are worried about the intuitive hostility of Flemish public opinion toward the missiles. Immediately they adopt attitudes which are very close to those of the PS /Socialist Party/....

Is there still a parliamentary majority in favor of deployment? Mr Martens is holding his breath and cannot answer.

In the face of this indecision worrying the government parties, the PS is claiming it offers coherence and consistency. We could even add clairvoyance, because events have proved us right.

Some 5 years ago--on 8 November 1979--our general council adopted an attitude, which it has not given up, emphasizing the need to hold serious negotiations before any decision on deployment and the obligation to reduce for both the East and the West nuclear arms to the lowest possible level.

The objective: to rebalance the nuclear forces in Europe, and, consequently, to obtain the dismantling of a considerable number of Soviet SS-20 missiles.

This PS proposal was reaffirmed by the General Council on 31 March 1984 and by the Bureau on last 17 September.

What are the prospects today?

Begun late in November 1981, the Geneva talks stagnated before ending last year with the pullout of the USSR.

On 17 October 1983, aware of this disappointing stalemate, the PS had proposed a 6-month moratorium intended to stop any deployment in Western Europe, so as to revive negotiations. We were not followed by the government, which abstained from defending this position in NATO.

Since then the deployment of the Euromissiles, Pershings as well as cruise missiles, has begun both in Germany as well as in the United Kingdom and in Italy. While the Soviets installed their SS-21's, SS-22's and SS-23's in GDR and in Czechoslovakia, and also equipping their bombers with cruise missiles as well as their submarines, which cruise along the coasts of America....

This is a dizzying revival of the arms race, which will be marked, according to the NATO calendar, by the installation of nuclear Euromissiles in Florennes next March....

But then came the happy and positive news of the resumption of the Geneva talks next 7 January, and of the dialog between the United States and the USSR. The event is important and we can imagine that not only will the problem of Euromissiles come up again, but also that of intercontinental missiles, as well as nuclear arms questions not yet discussed.

The hope for such negotiations on the entire question is considerable.

It implies that the notion of "reversibility" not be excluded, so that, in both camps, there can be a return to the question of the deployments carried out or planned.

It is in this context that the government must determine its attitude next year. How could it underrate the state of the negotiations which are to be resumed and automatically apply the NATO calendar in February for deployment in March?

The Socialist Party has not changed its stand in 5 years: it still believes that serious negotiation is the surest way to provide security to Europeans and peace to everyone. We must steadfastly explore all resources.

Strangely, influenced by events (and the fear of the voters?), a certain number of leaders in the majority are beginning to think along the same lines and to accept the idea that the decision should be subordinated to the results of the negotiations.

Which is why we are able not to change our stand and even to hold to it more strongly. We are pleased with it.

## STAND OF VARIOUS PARTIES ON MISSILE DEPLOYMENT

Brussels LA LIBRE BELGIQUE in French 27 Nov 84 p 3

/Text/ The renewal of negotiations between the foreign affairs ministers of the two great powers has resulted in numerous stands within the parties. They go in all directions and even divide the majority parties.

Jean Gol, liberal vice prime minister, is the only one who feels that the renewal of negotiations does not change the real facts of the problem. One should however point out that his party's office did not mention this problem in the communique broadcast at the end of its weekly meeting. The Christian Social Party also did not mention it, pending the monthly meeting of its administrative committee next Monday.

## A Good Sign

The renewal of negotiations is, for the Christian Democrat Party /CVP/, a good sign: the Flemish Social Christians feel that the installation of the missiles should not take place at the planned date in March 1985.

"As long as there are serious possibilities of reaching a favorable result," Frank Swaelen, president of the party, declared, "these chances should be seized, and Belgium has no pressing reason for making a definitive decision about the installation of the missiles on Belgian territory. We should do everything possible so that these negotiations are successful."

Swaelen also felt that the installation work in preparation for the missiles at Florennes should continue, but that this did not constitute implicit approval of deployment. Conforming with the governmental agreement, the CVP asks that Belgium examine the state of progress of the negotiations every 6 months along with her allies.

This CVP position was agreed to Saturday morning by the CVP assembly. The minister of justice reacted to it that very evening.

Gol reaffirmed his opposition to any reconsideration of the government's position regarding the installation of the missiles. In his view, the Soviets' return to the table does not change the basic facts of the problem: not a single SS-20 has been dismantled, he stated; quite the contrary is true.



## The Squabbling Parties

The Flemish liberals are slightly removed from this position, feeling that the debate on the problem was a bit premature. "Not until 1985," the Party of Liberty and Progress says, "can one judge the progress of the negotiations and then decide, one way or the other, whether the missiles will be installed." And they urged the "squabbling parties" not to stuff an important file with insignificant details.

For his part, Vice Prime Minister De Clercq recalled that the government had decided to "let things ride and to make an evaluation 6 months later."

The Flemish socialists, for their part, insist that the work at Florennes base be stopped. They also feel that the "new" stand taken by the CVP relative to the missiles, if it is not identical to theirs, is at least heading in the same direction.

For the Socialist Party, Spitaels restated the position of his party: "We must put our trust in the negotiations and evaluate the chances for success of a disarmament agreement."

The Volksunie Party also pronounced its support of stopping the work at Florennes. Volksunie feels that a majority is forming in Flanders which opposes this installation, at least as long as East-West negotiations are in progress.

Finally, while the Ecolo Party is proposing the organization of a referendum of the Belgian people on the question, the Communist Party is proposing a new parliamentary debate on Euromissiles before Christmas.

## Denial in Washington

Robert McFarlane, President Reagan's national security adviser, declared over the CBS television network that the United States did not expect to place a moratorium on deployment of American missiles in Western Europe. "That would not be satisfactory," he declared.

On the subject of the 3-year moratorium on weapons tests in space, McFarlane recalled the American proposal according to which Washington is willing to discuss "reciprocal limitations" once the negotiations are in progress.

TASS reacted immediately to these statements which it called "cynical."

12666

CSO: 3619/29



## EDITORIAL ON US/USSR NEGOTIATIONS, CRUISE MISSILES

Rotterdam NRC HANDELSBLAD in Dutch 28 Nov 84 p 7

[Text] In eleven months, the Lubbers cabinet wants to make a decision on the possible placement (in 1988) of cruise missiles in the Netherlands. If the Soviet Union then has at its disposal more than 378 triple-headed SS-20 systems designed to be operated from bases, then the Netherlands will set up 48 cruise missiles. If the number of SS-20 installations is smaller (or the same), however, then the Netherlands will not set up any, unless this smaller number is the result of an American-Russian agreement in which our country is then to participate, probably with a smaller number of cruise missiles. Through the spokespersonship of American Undersecretary Burt last Monday, the US made it clear once again that it will make no a priori concessions, for example by temporarily delaying the placement of Pershing-IIs and cruise missiles, until after the 7 and 8 January 1985 talks between Secretaries Schultz and Gromyko, the purpose of which is to determine an agenda dealing with the renewal of the deliberations on arms regulation. These discussions will cover a great deal of territory, and must include such items as intermediate-range nuclear weapons (INF [Intermediate Nuclear Force]), and strategic weapons (START), as well as space weapons.

Burt and other representatives of the American government have already expressed their suspicions that these negotiations will be complicated and lengthy, emphasizing that any possible agreements will always have to be mutual and verifiable. Nonetheless, the largest Belgian government party, the CVP [Social Christian Party] wants to latch onto this new beginning of arms regulation deliberations in order to defer making any decision on the placement missiles from March to September of this election year.

We are fully aware of the internal political significance that any decision to set up bases in Belgium and the Netherlands has, especially for the Christian Democrats. Yet it is surprising that just now, when the Soviet Union appears to be willing to go back to the negotiating table without the imposition of any previous conditions, confederates of the American negotiators are giving evidence of a certain pre-election nervousness. For Moscow could not be blamed for finding in such nervousness a provocation to continue its efforts to play off the US and its Western European confederates as much as possible against one another. He who says that in this respect Netherlands must be cautious about criticizing their southern neighbors is correct. And yet . . .

When the all-embracing "umbrella-deliberations" between Washington and Moscow get going, there is perhaps one other item to which Western European governments can direct their attention. Namely, it would be a good idea for them to make suitable prior arrangements with the US concerning the list of special sub-topics for discussion at those deliberations. For if it is true that the Soviet Union has a particular interest in settling the issue of space weapons, and the US especially wants to come to an agreement about strategic weapons, then--just as at the time of the SALT negotiations in the seventies--any attention that the superpowers might give to the Eurostrategic weapons would have a tendency to flag. Western Europe must prevent this occurrence as far as lies in its power.

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CSO: 3614/41

## PAPER REVIEWS ICELAND-GREENLAND TIES, INTERESTS

Reykjavik MORGUNBLADID in Icelandic 15 Nov 84 p 28

[Article by Stefan Fridbjarnarson: "Past Common Experience and the Future"]

[Text] Jonathan Motzfeldt, chairman of the Greenland Government, visited Iceland 26-29 September. In association with his visit, there follows a rough account of those few things connecting Iceland and Greenland at present and also what concerns the common experience of the two countries in the past.

## Icelandic Settlement of Greenland

Almost 1,000 years ago, in 985, 25 ships of settlers from Breidafjordur and Borgarfjordur sailed to Greenland. Fourteen ships arrived there. The others turned back or were lost. It was Eirikur the Red who discovered Greenland and gave it its name when he went to settle there. Leifur the Lucky, Eirikur's son, later sailed his boat to the western lands (America), where he was the first European. He named the lands Vinland the Good but there was no settlement there.

There was a continuous Icelandic settlement of Greenland for 5 centuries, or thereabouts, and then these Norse settlers disappeared from history without a trace, as far as written sources are concerned. Various things could have been the cause but a convincing solution to the problem of their disappearance has not been found.

When Icelandic settlers in Greenland were at their most numerous, there were around 200 settlers in the so-called Eastern and Western Settlements and a total population of 3,000. The settlement had a bishop's seat at Gardar and a Thing [parliament] organized in the Icelandic manner.

It was upon this Icelandic settlement and century-long Icelandic occupation that Dr Jon Duasson, esteemed educator and scholar, based his demands for historical rights of Iceland to Greenland. Such a point of view had been previously set forth by poet Einar Benediktsson, Bjarni Jonsson from Vogur and many well-known personages. In 1931 the Althing unanimously adopted a proposal of Jon Thorlaksson, that is, a demand to the government to "look out for the interests of Iceland" with regard to the disagreement of the Althing Peter

Ottesen made a demand of this sort more than once in the Althing, offering, among others, a proposal for an Althing resolution in 1953 calling for a demand of Denmark to recognize "the full suzerainty of Iceland over Greenland." If the Danish Government did not accept the demand, the Althing was to make clear that it intended "to seek justice on the matter from the Haag International Court of Justice."

#### Common Experience Under Danish Rule

There was little connection between Iceland and Greenland after the end of Icelandic settlement there. Nonetheless, the two countries had a common experience under the Danish crown for many centuries. Individual Icelanders found their way to Greenland in conjunction with Danish expeditions to Greenland and a few Greenlanders came to Iceland. These limited contacts had no worthwhile influence on the development of events, neither in Iceland nor in Greenland.

We may catch a few glimpses of an awakening interaction between Greenland and Iceland in the early part of this century. Thus, a Greenland priest was ordained in the Isafjordur Church on 27 August 1925 in the presence of many Greenlanders who had come there in connection with Gustav Holm's Greenland expedition. A Danish archdeacon carried out the ordination but Sigurgeir Sigurdsson, later bishop, was present.

In 1929 an Icelandic expedition set out to Greenland on the trail of Eiríkur the Red, not for a new settlement there but to find a muskox. They returned with five muskox calves that were set to graze at Arnarhöll near Reykjavík, before being sent to better places in Iceland. Their history in Iceland was brief. However, Greenland codfish have no doubt swum in the Iceland banks for years and centuries. And as soon as domestic banks were no longer adequate for Icelandic fishing technology we went out into the ocean to fish, among other places, west to the Atlantic rift.--"That is next door to Greenland."

Now we have arrived at the pith of the matter, the common fisheries interests of the nations of the North Atlantic, above all, Canada, Greenland, Iceland, the Faroe Islands and Norway, although many countries think that they have fisheries interests in this area. It is these common interests that direct our gaze to Greenland and are the prospective key for the future relations of Iceland and Greenland.

#### Fish Stocks in the Territorial Jurisdictions of Two or More Countries

The United Nations Law of the Sea Treaty stresses the need for cooperation, both in terms of the settlement of disputes and the protection of resources. Article 63 of the treaty states in clear words that when a species of fish moves within the territorial jurisdictions of two or more countries they, either directly or through the intermediation of regional agencies, will see to proper measures for the protection of fish stocks and for their normal use.

Last February the Althing enacted a resolution on the common interests of Greenland and Iceland. The resolution was presented by Eyjolfur Konrad Jonsson (Independence Party) and many other Althing delegates from all parties:

"The Althing resolves that the government is to be entrusted with the task of looking for the best possibilities for an agreement with Greenland on matters of common interest, in particular what concerns the protection of fisheries stocks and fisheries, and of seeking likewise a closer cooperation of these two countries, which lie on the North Atlantic fishing banks, in protection and exploitation of fish stocks and in terms of other matters of common interest."

In presenting his proposal, Eyjolfur Konrad Jonsson discussed the fact that Iceland must make every effort, now and in the future, both diplomatically and otherwise, towards the necessary cooperation in fisheries interests, fish protection and fishing, among other things, to secure forever the economic preconditions for life in Iceland. This cooperation should take place, among other things, in the area of research and fish stocks determination. "I think that it would not be unnatural," he went on, "to establish some kind of joint fisheries jurisdiction not only for Iceland and Greenland, but perhaps for the Faroe Islands as well."

The Icelandic Althing has established a special Greenland Fund, initiated by Minister Matthias Bjarnason, to bring about various kinds of cooperation between the countries. Iceland has also supported the Faroe Islands and Greenland in relations with Scandinavia. Thus, the Faroese Legislature and the Greenland National Congress are members of the Nordic Council and partners with Scandinavia in educational cooperation.

#### Greenland and the European Common Market

For a good many years individual Althing members, not just Eyjolfur Konrad Jonsson, have demanded increased cooperation of Iceland, Greenland, the Faroe Islands and other countries with common interests in the north Atlantic.

In 1980, Steingrímur Hermannsson, then minister of fisheries, went on a semi-public mission to Greenland for discussions with Jonathan Motzfeldt, chairman of the Greenland Government. Discussed were common interests in fisheries. Ichthyological conclusions of Icelandic research were made known to the Greenlanders and Icelandic expectations on fish protection and fisheries in the ocean zone between Iceland and Greenland. Among the things discussed were Icelandic anxieties concerning fishing by members of the European Common Market within the Greenland Fisheries Jurisdiction, for redfish in particular, but also for other kinds of fish as well.

Greenland showed interest in cooperation with Iceland in fisheries, fish processing and marketing. "On the other hand," said Steingrímur Hermannsson in a speech before the Althing last 21 February, "it was very clear that Greenland's intention to withdraw from the European Common Market was being made almost a complete mockery by their discussions with the Common Market on dutyless access to the Market and financial aid...."



In the spring of 1983, three members of the Greenland Government came to Iceland, first and foremost for discussions on connections between the two countries. The opportunity was used informally for discussions on fisheries, including Greenland's agreement with the European Common Market, which in fact went along with the interests of Greenland in this area until the beginning of last year.

Icelandic Minister of Foreign Affairs Geir Hallgrímsson laid emphasis in an Althing speech last February on the fact that the government had discussed strengthened cooperation both with the Faroe Islands and Greenland and in fact also with Norway, Denmark, the Faroe Islands and Canada in fisheries protection. He said that he considered Greenland now ready for discussions with Iceland. On the other hand, a decision on their part faltered on the fact that "Greenland did not consider itself to have power in this area while it was a member of the European Common Market, or, more correctly, while the European Common Market had power over Greenland fisheries on account of Denmark's membership in the European Common Market."--Greenlanders approved with the needed majority Greenland's withdrawal from the Common Market, as is well known, but with the proviso of customs freedom of Greenland fisheries products in European Common Market countries and financial support in exchange for certain fisheries rights of European Common Market countries for that share of the catch that Greenland considered it could not use itself.

Subsequently there has been mention of fishing for capelin by Denmark and the Faroe Islands in the "gray" region between Greenland and Jan Mayen Island which Denmark (for Greenland) and Norway are disputing over, that is over whether or not the Greenland fisheries jurisdiction should be in terms of a midpoint (between Greenland and Jan Mayen) or 200 miles from relative points in Greenland and correspondingly shorter distance from Jan Mayen. Iceland supports the Norwegian point of view and thinks that it corresponds more or less to its capelin fishing interests.

#### Iceland and Greenland: Common Interests

"We need not go into detail when I say that both Iceland and Greenland gain their economic support to a very large degree from fishing. Reasonable exploitation of the fishing grounds and a reasonable protection of fisheries stocks is necessary for both countries." So stated our beloved Olafur Jóhannesson, then chairman of the Althing Foreign Affairs Committee, in an Althing speech last winter, one of his last.

Various commercial fish playing a great role in Icelandic life, fish such as cod, capelin, redfish and herring (once), move, at least in part, within the fisheries jurisdictions of two or more countries. For this reason, research is needed, fisheries protection desirable and estimation of stocks advisable whatever other cooperation there is in this area. The time had long since arrived for the Althing to enact the above mentioned Althing resolution on the common interests of Iceland and Greenland. In fact, all the fishing nations of the North Atlantic need to have some kind of cooperation on common fisheries interests. The experience that Iceland has accumulated with the various kinds of ocean resources, in fishing, processing and marketing could be of use to Greenland.

The century-long Icelandic settlement in Greenland is a part of Icelandic national history. We also had a common experience with Greenland for a long period under Danish rule. Both times were good as far as we are concerned. Icelandic fisheries interests came into being more or less as part of that history. Profitable cooperation, based on mutual advantage and fisheries fact are the goals, both for Greenland and for Iceland.

It is thus good that Jonathan Motzfeld, chairman of the Greenland Government, is visiting Iceland. We must genially cultivate the Icelandic friendship and association with our neighbor in the west in all areas of international cooperation, but especially in fisheries. In this area the interests of both countries are unmistakably the same.

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CS0: 3626/3

## FLEMISH SOCIALIST PARTY MAPS OUT STRATEGY

Brussels KNACK in Dutch 21 Nov 84 pp 12-14

[Report on interview with Karel van Miert, chairman of the SP Socialist Party-Dutch-speaking], by correspondent Chris de Stoop: "The SP's Face Lift"; date and place not given.]

[Text] "Now I have three more reasons to fight against the missiles" shouted Senator Joz. Wijninckx at the last SP Congress, after he had received three plush little teddy bears as a gift for the triplets his daughter had brought into the world. That was at the same time the keynote which bubbled up sometimes like a slogan from literally all 20 speeches: each speaker eagerly seized upon that election appeal, which will last for some time yet.

That led to the solemn promise that a SP government will never station nuclear missiles, even more such a government, in case the missiles are already installed, will send them immediately "back to the sender". That was not the only election promise which was made last week in the Singel in Antwerp, and Willy Claes especially stuck his neck out somewhat far on that level, something which he previously had to pay dearly for.

It will not displease the governing parties that the socialists seem to nail themselves down in that way in the opposition, but the SP is definitely expecting that the existing coalition cannot survive next year, because it will take away its majority. Still it does not dare to make any contract with the voter, in which the point was pressed in amendments of young socialists and five branches, it restricted it to a priority list. The biennial statutory congress was not only intended as a cost profit analysis of the opposition policy of the last two and a half years, but also even if not officially, as an initial stepping stone to the parliamentary elections of 1985, for which the campaigns seem to be starting everywhere. Among the socialists, the atmosphere was very good, for the party has not done badly, the number

of members did drop (to 110,000), but in the last elections, outstanding successes were recorded. The enthusiastic and numerous audience had itchy hands, firing off volleys of applause.

The Flemish socialists feel strong, self-assured, with a confidence that is just as firm as the building in which they met, an enormous concrete block, which with its strange construction, its slanting floors and sloping walls creates a feeling of seasickness. The corridors were fully packed with all the usual rows of everything which moves under the skirts of the socialist mother hen and produces an exuberance of pamphlets there, and with the just as conventional stalls where you can buy neckties, watches, corkscrews and napkins with the SP slogan or the red rose. The more culturally inclined comrades found something to their liking among the long playing records of the European Workers Movement ("Comrades Come Rally") and especially not to be missed, in the somewhat obsequious hagiography when Jerry Beets compiled about the SP chairman, Karel Van Miert ("Renovator or Brilliant Transitional Figure?")

#### Election Springboard

Behind the scenes there was brisk discussion about: the elegant coiffure of the former swimming champion and current national secretary, Carla Galle, the pilot's license of former prime minister and candidate prime minister Willy Claes, which he has just obtained, and the impeccable suit of rising star, Frank Vanderbroucke, according to rumor, the genial boy wonder, who, it is rumored, is now being groomed at the SEVI [expansion unknown] research service for the greatest things. But in the Singel's red room (the adjoining blue room was appropriated Sunday by jubilant boys' choirs) more serious subjects were being discussed, especially operation breakthrough which now--15 years after Leo Collards first appeal and 5 years after it was recovered again by today's SP--is finally materialized through the solution of open election slates, which accordingly are accessible to people who are not party members.

At the congress, it became clear (even in camouflaged form) that this maneuver still takes care of sore spots, especially in old socialist bastions such as Mechlin, Ghent, Antwerp and Ostend, where they still adhere to the cause of orthodoxy. That led to the compromise that the federations may decide independently, which means consequently that next year pastors and inexperienced youth will not swarm on all slates. The Limburg priest, Jef Ulburghs, who acts as the whip in that area, but certainly is not accepted everywhere, got the public's attention with

several slightly risque jokes (about his not too celibate life) and by speaking tearfully with several of his supporters about the coal mines and going around with the collection box for the British comrades. There was generous giving, especially the big guns on the podium let a few bills slip ostentatiously into the collection box, and the collection amounted to 29,834 Belgian francs ("plus several telephone tokens"), with which all that soup can be distributed. Moreover, this congress had nothing to say about the Limburg mines.

On Sunday there was the spectacular stunt, with the well-timed entrance of Ernest Glinne, the PS [Socialist Party, French-speaking] member who seems to get the worst of it in his own party, who was immediately buried in an outburst of applause and a horde of photographers. Saturday a PS delegation attended, although the SP still was not invited to their congress.

The socialist rank and file clearly felt uncomfortable with the current cat and dog relationship between the sister parties. As is known, the great disintegrating influence is the Mayor of Voeren, Jose Happart, a matter which, according to Louis Tobback, "must be emphasized" (which still smacks among the socialists of the popular word (frigo) and which was not mentioned at all in Van Miert's closing speech. Only parliamentary member, Luc Van den Bossche, indicated that the family row went further than Happart, for there is also squabbling about reduction of the working day, flexibility and the question of the missiles.

The insipid speeches Saturday were limited to outbursts against the Rightist forces which are exploiting the people, but they refrained from any internal criticism, only Jef Sleenckx, the member of parliament from Turnhout dared to point out some defects; he reproached his party especially for no longer being "worker-minded" enough. If some mediocre work takes place in one or another school, then a SP communique follows immediately, but if there is a strike for months at Montsanto on essential matters, then according to Sleenckx, the leadership sticks its head in the sand. He must in fact be the last SP leader who still obtained his training in the neighborhood of factory gates, the present generation of Van Miert boys are mainly technocrats and students. They are rightly praised by supporters and opponents as the best and most informed group in parliament, also thanks to their well equipped research service run by Tobback with an iron hand. But they do not seem to profess socialism anymore with their heart and soul, as, among others, a popular Jos Van Eynde did it. During this congress, he sat in the first row and last week he celebrated his final departure from politics.



Van Miert was reelected chairman without an opposing candidate and eulogized by Claes, who praised him for the face-lift he had given the SP (with after this mandate, 10 years as chairman). Claes himself provided the most remarkable speech, not only for attacking the entire government policy with especially great vigor, but also by a trio of solemn promises to the rank and file: the SP will index taxation rates for low and middle incomes, increase the taxable minimums, improve the fiscal system for replacement incomes, restore the WIGW'S [expansion unknown] in their regulation and again normally index wages and social benefits. Mobilization is now in full operation, although Freddy Willockx had said earlier that no gifts must be expected, even from socialists in the government.

The chairman excelled in several very spiteful outbursts against the liberals, with, among others, this offensive declaration: "No judge is still appointed in Flanders without Mrs De Clercq has had her say." Later, after singing the Internationale with clenched fist, we interviewed him in the restaurant of the luxurious Crest Hotel and we asked him if his breakthrough operation means more than merely an election springboard.

[Answer] Yes, certainly, for me it is a revenge with the past, because we in our country have already continued to live with that burden much longer than in the case of other sister parties: the contradiction between socialism and the church. Originally that conflict was very hard and concrete, for as Jaures said: "The church only discovered the poor after they became a power," but the results have now evolved. Many catholics now lean socially toward democratic socialism and if we close the door to that, we play the game of sclerosis. The bridge must also be built to the rank and file and activist groups. That causes a great deal of disturbance in some federations, I readily admit that, but we still are only on the threshold. Perhaps we still will get the backlash, as happened with Jo Vermeulen of the young socialists. But this is not new: The Antwerp federation, where much resistance also exists, must, among other things, understand that Camille Huysmans has meanwhile developed the BWP [expansion unknown] into the strongest party in their city by including progressive liberals and front members.

Wind-egg

[Question] But you look more to dissatisfied ACW [Christian Labor Movement] members and the Greens.

[Answer] There are also protestants and Jews who have been members of the SP for years, moreover, the Mechlin branch chief

was a minister. But the problem is that you now have a neo-liberal and conservative offensive that wants to radically reorganize society. Consequently you must unite those people as much as possible who offer an alternative to that. The Green's offer worthwhile things, but they are not ready for leadership. They do not have the right power levers. We can translate that for them, also they must then come down a peg or two. As regards the VU [People's Union], I observe to my regret that part of them are already involved in dealing with the CVP [Social Christian Party], while the present coalition does not have a majority anymore, to support in exchange for I do not know what.

[Question] Another facet of the SP's facelift is its Flemish character. With that have you repelled the PS and does that distress many in your party?

[Answer] Yes, but that does not only involve Happart, we are a young and dynamic party, but the PS suffers from the same disease as the CVP: by wanting to remain in power continually, they acquire symptoms of fossilization. Their only instinct is to dominate Wallonia and be the largest party, and they are willing to make a pact with the devil for this purpose. The Happart situation does not interest us, it is certain that the PS sacrifices essential matters for its selfish complexes. We are no longer the PS's little brother, we are not going to run after them anymore, I am not even speaking about reconciliation efforts. The PS must understand that they must give up those stupid demands about the boundaries of Brussels and the Voeren Statute. But you are right, our people are disturbed about that, the enthusiasm with which Ernest Glinne was received indicates that to you.

[Question] It is certainly easier to speak with Glinne than with Cools, let alone with Dehousse.

[Answer] Dehousse is quite hopeless. That man has a confrontation strategy and uses pawns like Happart for that. He simply wants to break up Belgium, but I am convinced that someone like Guy Spitaels really is not pursuing that. Moreover, Spitaels will not find a single governing partner with Happart and will consequently have to pull in his horns, just as Antoinette Spaak, who threatened us at the time with the Voer region.

[Question] What do you say about the criticism that the SP is losing contact with the workers, that the rump steak socialists of that time now have become research center socialists?

[Answer] I will readily admit that I am also concerned about that. We now have--especially thanks to Willy Claes who is the

godfather of that--a young, strong team, but there must be a certain balance between parliamentary experts who dominate their fields and representatives connected with the people, who continue to work with the rank and file. That does not need to be contradictory, someone like Freddy Willockx is at the same time a brilliant politician and a popular figure who has grown together with the workers of his district. But as Sleenckx says that we take too few positions about businesses in difficulty and such, he must know that happens because the trade union, which regards that as its territory, is not very eager about it. Anyway, an unusual atmosphere now prevails on our team, and I have never known the party to operate as well as now.

### Contract

[Question] Is it wise for a socialist party to be more and more identified with a single point of view?

[Answer] I myself do not think it is good, but it is now a fact that ideas are transmitted better, if a point of view is presented. However, I take care that the personal does not degenerate into a one man policy. The day that I no longer seem to interpret the ideas of the majority in the party, I will leave it without a grudge, for there still are other things which arouse my interest. Nevertheless, I still have several challenges on the political-social level which I still want to achieve.

[Question] What do you think about the fact that Paul Goossens now has begun a "breakthrough" to business, that De Morgen is going to seek funds from Andre Leysen?

[Answer] I can assure you that not a franc will come from Leysen. The SP became the main shareholder of the De Morgen SV [Corporation] because others in Social Action no longer wanted to carry it, but the problem is that our party is somewhat short of cash. Paul Goossens then wanted to change his tactics, with the example of Liberation before his eyes, although the situation with us is quite different. But if such an operation toward the private sector takes place in all openness, and if the sponsors can continue to operate independently and with a progressive approach, that should be possible. There is misery enough in Flanders, so few people who are concerned about a pluralistic press, who want to maintain that fragment of democracy. The government does not desire that, consequently I think, why would the private sector then not set up a sort of investment fund--for the press in general?

Question You do not venture to conclude a contract with the voter, but Claes has already promised a great deal, perhaps too much?

Answer We could not conclude a contract about a program which still was not outlined and, moreover, such a contract is also not well-advised tactically. If you carry out only 90 percent of the commitments, will people continue to eternally reproach you for that 10 percent--and to achieve that, will your political opponents make you pay heavily for other matters. Willy Claes has also not promised so much. It is certain that the preposterous redistribution will be repealed, that we will never let handicapped people pay to distribute gifts to people with a great deal of capital. Under this government, incomes from investments have increased sharply, while the fiscal pressure on labor and replacement incomes has increased enormously. Consequently a reduction of taxation must appear there, but there must be budgetary room for it--that depends on the success of our policy--and that is not possible immediately, time is necessary for it, a whole legislative session. Consequently we are not beating the big drum like Verhofstadt is doing: we are not shouting that we are going to reduce taxes by say, 50 billion. No, that would be a disappointing achievement, if we could only restrain all the increase of fiscal pressure by indexing the taxation rate. In each case--and the sooner the government breaks up the better--we are ready to conclude the election victory and carry out the policy. That is a historic opportunity which we must take advantage of to crown our 100 year existence.

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CSO: 3614/46

## FDP FUTURE, PROSPECTS DISCUSSED

## Policy, Structure Reforms Needed

Bonn DIE WELT in German 30 Nov 84 p 2

[Article by Herbert Kremp, chief editor: "Search for a Future"]

[Text] What kind of a crisis is it that the FDP has gotten into ? Indications are that it is a severe disturbance of its self-confidence. It is unusual for Land chairmen of a political party (one of whom is deputy national chairman) to return to private life. It is highly odd for 71 out of 173 Berlin delegates to rule out any participation by the FDP in the Berlin elections next March on the grounds of "self-esteem." That kind of thing sounds like suicide. The FDP's world is no longer in working order.

But one does have to take into consideration all the trials and tribulations which the party has gone through since its last truly successful showing in the 1980 elections. The party is weighted down by the full impact of the change of allegiance which it performed as a split political organization. In 1983, it dropped from 10.6 percent to 7.0 percent of the total vote—thanks to artificial feeding. It is represented in only two of the Laender governments and in only five of the 11 Landtage. Count Lambsdorff, who once was the party's great white hope, was forced to resign his post. At the Muenster party congress, Genscher announced he would not seek reelection as party chairman. Bangemann, who is into his Bonn job up to his neck, must fight for broad recognition inside his party. Except for Hesse where the FDP managed to come out ahead of the Greens once again in the last Landtag election the party has not had any successes to speak of. Overall, it occupies the No 4 position.

Is the outlook dim then ? In view of the three Landtag elections next year it would seem so. At worst, the Free Democrats might drop out of the last two governments (in Berlin and the Saarland); they might also get kicked out of the legislatures in these two Laender and once more fail to make it into the North Rhine-Westphalian Landtag. That would probably lead to a total collapse for the party. There would still be a head; but there



would be no body left. The government in Bonn would command a free-floating majority as it were and would go down in flames for lack of any thrust. If the FDP leaves the stage, there is no way the CDU/CSU could hold on to the chancellorship in the 1987 legislative period. There is no reason to assume that any of the political parties will obtain an absolute majority in the foreseeable future. The images of the parties themselves and of their leaders are not convincing enough for that. In the future, too, the CDU/CSU will have to depend on a partner and that partner can only be the FDP.

Quite obviously what is needed is a top-to-bottom reform. The party must let it be known that it wishes to place Martin Bangemann at its head. Genscher's announcement was a wrong move because it obscured the party's view of the future. But the announcement need not have a catastrophic impact if the big personnel decision is rapidly and resolutely made. The captain is needed most of all in times of distress at sea. The fact that the new chairman holds down the post of minister of economics can only be of advantage to the FDP. After all, it is an economic or business political party; otherwise, it is no political party at all. That statement needs to be clarified because it frequently appears to imply a rather dubious dependence on special interests. The coalition party does not represent the money interests. Its job, in effect, is to provide the economy—which is flying high on the wings of modern technology—with the kind of freedom to maneuver which is appropriate to the fast pace of the economy. Creating the proper setting is the name for this.

A good example of this was the controversy within the coalition on the question of whether to replace the stillborn investment subsidy tax by a surtax. Those who look at funding along symmetrical lines and like to call themselves "social-minded" wanted to equalize downward and took aim at the so-called higher earners. This group of CDU politicians was opposed by the FDP and the CSU. The Bavarian party, as is well known, thinks along unconventional and logical lines as a rule. The two parties felt that it would be preferable both in terms of efficiency and the will to invest to favor the recipients of smaller incomes in the first round of tax reforms scheduled for 1986. This is backed up by an idea that is correct in principle, even if the finance minister does not collect enough revenue. To do what is right in principle cannot be wrong from the point of view of the consequences it will have. If the FDP draws the proper conclusions from this, the party will not shrink in size. In the tax debate, both Genscher and Bangemann proved they have what it takes.

But those members of the public who would like to see the FDP adopt policies of this sort are somewhat less enthusiastic about the kind of minority approach to the legal process and to domestic policy with which quite a few of the big thinkers of liberalism like to adorn themselves. This particular brand of liberalism is very well represented in all of the other parties; in fact, it is part and parcel of their historical develop-

ment—which may be well and good in principle but no longer provides an individual party like the FDP with a distinctive image. The primary focus of modern-day liberals should be on the economy and on helping to shape foreign policy—which is the second main aspect of our life and which is of equal importance. One should not constantly want to dispute the FDP's claim to this area of responsibility—the more so since the chancellor sets the tone in foreign policy, too. The coalition partner must be provided with a firm framework inside which it can safely operate. If and when this is provided, the self-healing powers will come to the fore. In that sense, taking a dim view of things may be right in terms of methodology but wrong in terms of making a prognosis for the future.

#### Defections Weaken Leadership Prospects

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 8 Dec 84 p 12

[Article by Claus Gennrich, editorial staff member, datelined Bonn in December: "The FDP Is Not Healed: The Liberal Party Continues to Crumble"]

[Text] The FDP is crumbling. The party chairman has announced that he will quit. One of his deputies (Morlok of Baden-Wurttemberg) who once was touted as the party's big hope and seemed to be in the ascendancy has left and another of the Land chairmen (Zywietz of Schleswig-Holstein) has announced that he will return to private life. Former party treasurer Wurbs—one of the four vice presidents of the Bundestag—relinquished his seat. There is a reason for every one of these moves. Taken all together, they contribute to the fragile image of the smallest of the three coalition parties in Bonn. The probable new FDP chairman will need all the optimism he can muster as he looks ahead to the party congress in Saarbruecken next February which will elect him.

The feeling of "having to" elect a new man may not sit well with a good many of the delegates to the party congress. During the final years of the Genscher era there has been a great deal of discontent about far too many decisions from "above." The disgruntled grass roots elements paid Genscher back in kind on several occasions and forced him to retract his proposals—in his choice for general secretary; on the amnesty for tax evaders issue and on the matter of financial contributions to the party. The upshot was that he announced he would give up the party chairmanship. The fact that Genscher had decided long ago that he would not lead the FDP in the 1987 election campaign does not change matters at all. His successor, Bangemann, was pulled out of the hat far too rapidly. He promises that his style of party leadership will be different. Bangemann is paying visits to the Land organizations, testing his image and is apparently conveying the impression of a relatively pragmatic non-tactician. That might be an indication of broad support. For another thing, there is no other feasible candidate around at this time.

But the FDP is full of surprises. Bangemann's willingness to run was "welcomed" by the party executive committee. Once again, the spare ranks of the local FDP organizations were heard to grumble. "Those people in Bonn" were said to want to force a chairman on the party who would then be elected at the party congress by acclamation. To be sure, Bangemann seems to have succeeded in overcoming distrust; but some suspicion has remained. It is not directed against the man himself but against the procedure followed and in that sense one more time against Genscher's style of leadership. In such situations political parties tend to fight ersatz battles on secondary battlegrounds and goals which are not aimed for directly are reached by circuitous routes. Such a detour can already be recognized this time, too. The Young Liberals, who are meeting at Bensheim this weekend, will probably submit a resolution at the party congress which stipulates that the party chairman will henceforth not be allowed to hold a cabinet post as well. Even if this is only being put forward as a matter of principle, it does take aim at Minister of Economics Bangemann. The candidate has displayed sufficient inner independence so that his reaction may be gauged ahead of time. If a fairly large number of delegates takes this detour and votes against him prior to the actual ballot selecting the new party chairman, chances are he will withdraw from the race. This is why the party leadership is trying to point out in advance that this is what would happen if the Young Liberals' resolution went through. If it really did, it would be a major defeat for the party as such and would bring the wrong man down. What would happen then is hard to tell. Perhaps Ms Adam-Schwaetzer would be asked once more to run for the chairmanship. Genscher himself has had his closest advisers put out the word that he would not run again under any circumstances.

There are rumors in some FDP circles saying that Bangemann has a hard time combining ecology with economics. On the Buschhaus, automobile catalytic converter and law of the sea issues, it is said, he followed the CDU line more than that of the FDP environmental spokesmen whose views are listened to more and more by Genscher. The influence which this environmental policy has inside the party is frequently overestimated. When Genscher tried to put some distance between himself and the CDU/CSU on these issues, the distance between him and his probable successor became apparent. The upshot was that the big coalition partner grew uneasy. The generally smooth and well-tempered collaboration between Bangemann and the chancellor as well as the CSU may have made Genscher jealous. He would surely deny this but it seems to have prodded him to present himself as an environmentalist as well as a party chairman capable of uniting the different wings of the FDP. It is a little late for that. Inside the party, it has been noted with some surprise that Genscher chose the time between the announcement of his withdrawal and his actual relinquishment of the post to make the effort to court the party in this fashion.

This has raised the question in many quarters as to how Genscher will operate once Bangemann has been elected to the party chairmanship. The letter Genscher wrote to the economics minister and to Bundestag deputy Gattermann which dealt with the search (to be rejected) for a substitute for the stillborn forced loan was sent to other addressees for their information and was made public a week later. This was done to avoid giving the impression that the FDP was prepared to compromise. It was Bangemann and the CDU who were being admonished and warned. As a consequence, the CDU/CSU felt that this was proof of the fact that Genscher was becoming the more difficult partner for them in spite of his efforts to reestablish and strengthen his personal relationship to Kohl upon which he hopes to base his role in the coalition more than heretofore.

The things that members of the FDP leadership are saying out loud Genscher may be thinking all to himself: that in announcing his withdrawal, he was bowing to a general mood without really having to. The dichotomy of being sorry about his decision and the self-imposed constraint to adhere to it seems to be occupying Genscher's mind. It is being said that his increased activities within the party are supposed to provide him with a dignified departure, thereby making it easier to withdraw. But at the same time the FDP cabinet members are saying that Genscher will keep close watch on all government activities from his position as vice chancellor. He gave an indication of that when he concentrated on economic policy during the budget debate in the Bundestag. At worst, the [new] party chairman might find his activities restricted to the ministry of economics and the post of a kind of general secretary-in-chief of the party. Sources close to Genscher are saying, however, that the two men will collaborate and not merely opt for coexistence, since they are both committed to the survival and well-being of the FDP. But others fear there may still be some complications, if the Basic Law provision which calls for the chancellor to appoint one of the cabinet members as his deputy were expanded to include more comprehensive responsibilities than the Law provides.

For some time there had been reservations on the part of some party leaders regarding FDP deputy chairman Morlok who Genscher at times said had a great future ahead of him. It took a man to head the party, they felt, who had the stamina to survive defeat. Apparently Morlok did not meet the test in either the Baden-Wurttemberg Landtag election, the Council of Europe test or the communal elections. The resignation of Schleswig-Holstein's Zywietz reflects on the sorry state of this shrunken-down Land organization. Both Morlok and Zywietz thought it best to look to their professional careers outside the FDP fold. Bundestag Vice President Wurbs was feuding with both party treasurer Adam-Schwaetzer and Genscher because of his statements distancing himself from the DM 6 million contribution and seemed ready to quit anyway. He is giving up his seat in the Bundestag. Now as the struggle to succeed him as Bundestag vice president heats up along with that on the



fraction executive committee has made it quite clear that the shrunken-down fraction has not used the time since the 1983 Bundestag election to purge itself of irascibility and combativeness. The FDP does not feel it is cured as yet.

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CSO: 3620/160



GREENS, CENTER, SOCIAL DEMOCRATS ALL HAVE THEIR PROBLEMS

Greens MP Bored With Job

Helsinki HUFVUDSTADSBLADET in Swedish 2 Dec 84 p 2

[Editorial by Bjorn Mansson: "Green Frustration"]

[Text] The statement by Ville Komsa that he finds parliamentary work boring and therefore does not believe that he will run in the next election cannot help but damage the credibility of the Greens as a political movement with serious intentions, writes Bjorn Mansson.

Green MP Ville Komsa has, in an interview several days ago in the DFFF [Finnish People's Democratic League] organ KANSAN UUTISET, announced that he finds parliamentary work "boring as hell" and therefore does not believe that he will run for reelection next time. He added that he already knew beforehand how boring parliamentary work would be, and that the dullness therefore did not come as a surprise.

Afterwards Komsa was eager to state that he himself did not take the initiative for the comment, he only answered the questions asked by the editor. But that does not change the fact that an MP, after only one and one-half years in the granite castle--of the mandate's four--said that he has had enough.

Behind Komsa's statement there is obviously his personal frustration at the heavy going of parliamentary work. He did not in the least explain his position on, for example, the principle of rotation among elected representatives which his party brothers in West Germany are trying to put into practice--with varying success.

It would be a mistake to draw too firm conclusions from Komsa's statement about the entire Green movement's attitude toward parliamentary work. The Greens are of course decidedly individualists, and there certainly are some within their ranks who would be willing to continue the work which Komsa finds so boring.

Still his statement reflects the Greens' dilemma: they chose to run in the election, and thereby accepted a role in society's normal decisionmaking process.

But they are having a hard time finding their place in this process, and are obviously becoming easily frustrated.

In the KANSAN UUTISET interview Komsi emphasized that he does not at all consider that it was a mistake for the Greens to run in the parliamentary election. When he later measured the Greens' entry into parliament as being of almost "symbolic importance" one must conclude that he seriously downgrades one of the main pillars of our democracy.

Imagine, for example, the Finland-Swedes being satisfied with seeing the participation of the Swedish People's Party in Parliament as being of almost "symbolic importance." No, the voters of the Swedish People's Party--as surely as those of all the other parties--expect more of their elected representatives than that. They expect concrete results from their parliamentary work.

Still it is well that Komsi in the interview admitted that representative democracy "is not entirely stupid and unnecessary."

One who will work in this "not entirely unnecessary" representative democracy must remain within the rules of the game which are commonly agreed to. One of them is that no group can assume privileges. Nobody's influence over decisions is greater than that he succeeds in creating himself. Nobody can bring about miracles by himself. It is necessary to work hard--and to be able to cooperate with others.

In the Parliament's way of working there surely are some things which can and should be changed. For example, Ville Komsi was correct when he said that it is wrong to measure the effectiveness of the work only by the number of motions made or the number of contributions to debate in plenum sessions.

But one does not go far along the road to political results by announcing that he is beginning to be ready to give up after less than half of the mandate period. Ville Komsi has therefore inevitably damaged the Greens' credibility as a political movement with serious intentions.

Politics deals with producing results. And results are achieved only through hard work. Even if it is sometimes boring.

#### Center Leader Urges Change

Helsinki HUFVUDSTADSBLADET in Swedish 25 Nov 84 p 9

[Article by Larserik Haggman: "Paavo Vayrynen: New Content Needed in Consensus Policy"]

[Text] Kouvola. "All efforts to continue or to reinforce the consensus policy with its old content inescapably

destroys the base and structure of unity," said the Center Party leader Paavo Vayrynen when on Saturday he introduced the political debate at the Center Party delegates meeting in Kouvola. In his speech Vayrynen chose to try to analyze a number of currents in the society and spoke about how the winds of change are blowing.

"In order for the Finnish consensus policy to withstand the pressures that strong forces are placing upon it, it must show flexibility and adapt itself to the changed situation," said Vayrynen, who maintained that the Center Party itself should lead the forces of change and try to reflect them.

According to Vayrynen, the debate about the fall political theme, consensus, was conducted outside the proper subject.

"There is nothing wrong with trying to seek unity, or attaining it. On the other hand one can question the content of consensus policy," said Vayrynen.

#### Apparent Relaxation of Tension

After confirming the broad unity surrounding foreign policy, Vayrynen noted the relaxation of tension which has taken place in the domestic field. This is, however, according to him partly ostensible, as the change in people's understanding has exposed it to powerful pressure vis-a-vis the content.

"The Finnish consensus policy's continuance depends on our ability to renew our internal development line without being driven into hard conflicts and a deep fracture," said Vayrynen, and he saw it from the viewpoint of the country and the people as important that the challenges of time be answered in the democratic spirit, so that the increasing pressure for change can be met in a flexible way.

Beginning with that reasoning, Vayrynen spoke of income-policy solutions, which for nearly 20 years have marked consensus policy.

"This has given the economically interested trade organizations powerful possibilities for action in many such questions, which by their nature belong to the government and Parliament who should be able freely to decide," explained Vayrynen.

#### Help for SEP

Party Secretary Seppo Kaariainen diluted his party chairman's reasoning by claiming that the Social Democrats, when they do not get their will in a democratic way supported by their 25 percent backup, hurry away and ask trade organizations for help within the framework of the broad income-policy agreements.

"SDP has had its real successes through its connections with trade organizations, not with the support of its own power," claimed Kaariainen, who also responded to SDP's profile-raising from earlier in the week.

In his analysis Vayrynen tried to describe the structural changes which had taken place during the past 20 years. He pointed out the advances made by the white collar workers, and FFC's [Confederation of Finnish Trade Unions] relatively weakened position, and the way in which the agricultural population through more effective organizational work has been able to compensate for its reduced numbers.

Thereafter he looked at party development during the corresponding time, noted the total decline of the left by about 10 percent, and the advance of the Conservative Party until a couple of years ago, and finally the Center Party's advance during the past 2 years.

#### New Value Base

"This reflects changes in attitudes and understandings. Different social currents have clearly declined in popularity. People will no longer refrain from giving more power to the centralized state administration. At the same time the capitalist alternative of the Right is losing its drawing power."

Instead, according to Vayrynen, people are looking for a new, more lasting value base for their lives and the development of society. This is reflected in the striving to protect nature, and the right to self-determination and influence, said the Center Party leader.

From all this he drew the conclusion that the consensus policy is confronting serious challenges when the power structures, methods of reaching decisions and the contents of policy are all clearly in conflict with existing conditions and especially public opinion.

According to Vayrynen, the Center Party's actual political line comes from this: decentralization of the state administration, abolition of the central civil service department, provincial self-rule emanating from the broad International Union of Local Authorities, vigorous small municipalities, prescribed municipal area administration in the cities, more effective regional policies, equalizing the economic differences between municipalities, and investing in small business.

#### Greens Breaking Values

It fell to Party Secretary Seppo Kaariainen to go farther into the election result and draw the line against different parties. He thought that the Center Party with hard organizational work and emphasis on the local level in the future could retain the support level which the three latest elections showed.

As opposed to many others, Kaariainen would take the Green challenge seriously, and not regard it as a marginal phenomenon.

"The Greens' progress is the beginning of something coming. More important than the number of seats and support figures are changes in value judgments, a break in values. The Greens can not count on any continuous rise, however," said Kaariainen.

According to him the Greens are a credibility challenge to the Center Party, dealing with how well good principles and practical negotiations go together. The Center Party will be a green movement when first it is able to prove itself credible also in practical politics, said Kaariainen.

#### The Mantle of Government

When Kaariainen began speaking of the Social Democrats [SDP] at the party delegates meeting on Wednesday and Thursday, he spoke of strong internal tensions in SDP.

"It is not necessary to cry for them. A party which has much power and is striving for more is inexorably the object of scrutiny and exposed to criticism. Furthermore SDP in recent years has mostly basked in public sunshine.

"We can give SDP some friendly advice, in its pain over the role of government. Certainly such a large party, which furthermore has the support of the unions, must be able to bear the mantle of government when a smaller party has succeeded in doing it. We know what we are talking about," emphasized Kaariainen.

#### No Connection

He added that SDP's problems are political, when the party line is obsolete and bad; their basic line, which breathes materialism, centralization and trusteeship is not only against the current, it is in crisis.

"One is forced to ask: What is this newborn SDP which will appear next spring? It seems that even the party leadership does not know. Sound common sense says that a raise in profile, if it is real, leads to an entirely new way of thinking, which is different from the policy pursued," said Kaariainen.

After having covered income policy and relations with trade organizations, Kaariainen reported that the Center Party in the next income-policy agreement in 1986 will not connect housing, social and regional policy to income questions.

The debate at the party delegates meeting reacted for a long time against the line-drawing that the party leadership stood for. Most speakers took up questions related to humanity and local human problems.



Similar to situations at corresponding meetings during the past year, the party leadership, ministers and parliamentary group were thanked for their activities, something which was not previously done within the Center Party.

Trouble appeared once more over support developments south of Salpausselka, especially in the large towns. New investments are sought there, including new investment on three weekly newspapers in Nyland, Tavastehus and Abo- and Bjorneborg Counties.

#### The Farmers' Voice

Complaints that the farmers' voice is not being heard in politics were also expressed, and Minister of Agriculture Toivo Ylajarvi promptly responded.

Party chairman Vayrynen in his summary was able to point to an agricultural policy profile different from that of the current minister of agriculture. The limit on investments and the two-price milk system for milk creates, according to him, a situation which makes stock raising nearly impossible on small farms.

"Therefore one should, I say once again, take measures to limit production from large farms of the industrial type," said Vayrynen.

The party's Vice Chairman Martti Pura had a similar and more provocative tone a week ago in an interview in Kaleva. Therefore it was no coincidence that Ylajarvi kept his eyes on Pura when he explained that it had been made to look like there was a conflict between him and the Center Party leadership.

"It is really only a matter of time, and the question of whether we should cut off the top, or let new opportunities be born the natural way.

"Now the discussion must be brought within our own purview," said Ylajarvi, who also wanted to bring producer organizations into the internal debate

#### No Cooperation With the Right

At the suggestion of the party secretary, the Center Party is preparing for Sunday a statement that once and for all will put an end to election cooperation with the Conservative Party. Corresponding recommendations have been made previously, but in 30 municipalities there were election alliances in municipal elections. They are not considered to have given the desired dividends, and will be prohibited in the next election.

## Center Consensus

Helsinki HUFVUDSTADSBLADET in Swedish 25 Nov 84 p 9

[Article by Larserik Haggman]

[Text] When the Social Democrats go in for a higher profile and attack all except the Finnish People's Democratic League and the Finnish Rural Party, the Center Party does not respond. Instead the party does everything at the delegate meeting at Kouvola to avoid the "conceit and the defiance" which the SDP accused the Center Party of.

In this way Paavo Vayrynen follows up the line held in the situation with the parliamentary debate over the People's Democratic League interpellation, just before the municipal election when Prime Minister Kalevi Sorsa made his first big autumn attack on opposition leader Ilkka Suominen.

The manner of conducting a debate, then and now, shows the same division of work within the two leading parties. Within SDP it is Sorsa who is prime minister and ideolog, while Party Secretary Erkki Liikanen is responsible for the daily political debate. Within the Center Party it has been the same way for some time. Vayrynen has been the foreign minister and government politician, and Party Secretary Seppo Kaariainen has taken up the day's political debates.

When many observed the double role by Sorsa and pointed out that the attack on Suominen is clearly party tactics by its nature, there appears to be a clear contradiction when it applies to Vayrynen. He is considered to have opposed the risk of getting into the Sorsa-Suominen dialogue by not fighting back, as Swedish People's Party leader Par Stenback did in the interpellation debate, without playing on an ideological string and trying to appear cooperative.

### More Center Color

Therefore observers see Vayrynen's demand for new content in the consensus policy as a raise in profile of the same kind as the SDP's, but presented in another way. Or to quote a voice from the meeting, Vayrynen wants more center color in the consensus.

Obviously Vayrynen's and Kaariainen's criticism of the trade organizations was dictated by the Center Party's role within them. Traditionally the Center Party has had little if anything to say in the FFC [Confederation of Finnish Trade Unions] and AFC [Federation of Finnish Trade Unions]. The same applies to the growing civil service sector. There remain the production organizations, which are a certain dilemma for the Center Party today.

Just as the Social Democrats have tried to expand their policy over the traditional union groups and now obviously must begin to pay closer attention

to them again because of critical voices at the party congress and the party council, the Center Party has for a number of years broadened its policies over agricultural people. According to many observers, however, the party in its ideological tone and efforts to retain support has made a firm decision to hold onto the rural people as long as possible.

#### Center Party and NTK Demands

When neither the party's nor the producer organizations' power is sufficient to safeguard the individual farmer's situation, there arises a conflict when the producers seek to guarantee vital agriculture and party support.

It is said that even the often arising conflict between the Agriculture Minister Topivo Ylajarvi and the party leadership basically deals with that.

Against that background it is not so surprising that Vayrynen speaks carefully of the trade organizations in his criticism of the consensus policy, including NTK.

Observers in Kouvola emphasize, however, that the agricultural conflict, which is only a part of the Center Party's future problems, can hardly be resolved in one round. Neither can the party's real future problems. Here it is a matter of how the second generation Center Party city dwellers, primarily in the smaller cities, relate to the party.

Obviously the first generation has been quite faithful, considering the development of support as a whole, but the following generation is the Center Party's large question mark for the future.

With this problem and the lack of support in the south Finland cities, Vayrynen is now obviously trying, with a continuation of the springtime high profile in the government and the new demands, for a greener center consensus.

#### Social Democrats Enhance Profile

Helsinki HUFVUDSTADSBLADET in Swedish 26 Nov 84 p 2

[Editorial by Bjorn Mansson: "Social Democrats 'Enhance Profile'"]

[Text] The Social Democrats appear to be ready to comply with the wish for a so-called enhanced profile, but their profile enhancement has some negative facets. Instead of advancing their own line, they chose to attack other parties, notes Bjorn Mansson, who also discusses SDP's motives.

The political parties' so-called low or flattened profile has for a long time been criticized in the social debate. It has correctly been pointed out that the parties have all the more come to resemble each other. The debate on

political ideas has become lame and no longer stimulates the public. Even before last year's parliamentary elections and during the campaign before the municipal elections there were demands for an enhancement of the parties' profiles.

Now one can say that the SDP at its party council meeting at the end of last week has complied with that wish. But--was it a profile enhancement of the kind which was intended in that debate?

The Social Democrats' enhanced profile is believed to have negative facets. Instead of advancing their own party's ideological and political line, they chose to attack the other parties. Should that be interpreted as an almost desperate attempt to increase self-confidence among the cadres?

The party chairman, Prime Minister Sorsa, set the tone by his hard attack on the Conservative Party and its chairman Ilka Suominen, who was attacked for having dared to criticize the so-called consensus policy. Sorsa now makes this unity policy more difficult with methods which are not exactly intended to strengthen the spirit of consensus.

Sorsa used colorful language with an ironic reference to the Finnish name of the Conservative Party, Kansallinen Kokoomus (National Assembly) when he claimed that Suominen now agitates for the opposite, "National Splitting." Those who saw Sorsa on TV could notice how he savored every word as he read the text. He was obviously satisfied with his undeniably clever play on words.

Even if the accusation of national splitting obviously missed the target, it is no error to use colorful speech. There are certainly those who, with a bit of nostalgia, thought back about the colorful speech of Vaino Leskinen or Hertta Kuusinen--not to mention Urho Kekkonen during his splendid days. In the "good old days" political speech succeeded in raising enthusiasm--but also the conflicts in society were greater then.

Now, fortunately, conflicts are smaller and the rhetoric is therefore given less play. Too harsh judgment of political opponents is ineffective, and may even be counterproductive, and its justification is limited to the noble art of nitpicking.

In any case it is difficult to understand why Sorsa chose to seek a confrontation with the Conservative Party at a time when his government can be expected to need the cooperation of that party to put through its budget bill in Parliament. A possible explanation is that Sorsa was convinced that a budget agreement with the People's Democratic League was in the offing, and that he would therefore not need the support of the Conservative Party.

An alternative explanation is that he consciously decided that a budget agreement should be reached with the opposition on the Right, without the government changing its bill so that with the power of its own majority it could

put it through. A motive for such a standpoint can be that the SDP is experiencing pressure from its trade union wing. Sorsa could then have reasoned that he still did not expect to use the bridges which he had burned.

One can not exclude the possibility that Sorsa thought that by hard confrontation he could force unity. The Conservative Party could also be forced to show that despite everything it is capable of cooperation. The party is of course also exposed to pressure from the business side, which fears the taxes which the government perhaps must resort to if no budget agreement is reached.

In such case Sorsa is playing for rather high stakes. One could pointedly say that this game can easily result in the taxpayers paying a high price for the prime minister's probably exaggerated broadside against the Right.

For surely it must be repugnant to Ilkka Suominen to show a willingness to compromise after that. The Conservative Party of course also has fresh memories of the prime minister's attack on the party in the parliamentary debate at the time of the interpellation by the People's Democratic League just before the municipal election.

At the party council meeting, Party Secretary Erkki Liikanen attacked, in accordance with the traditional division of work between himself and the party chairman, the government's confederates. But only two of them. When he accused the Center Party of "delusions of grandeur," the words sounded extra bad coming from an SDP mouth. The Swedish People's Party was accused of being "the government's Republicans" (in reference to the American presidential election, obviously one of the most abusive terms that Liikanen could think of) and of representing "reaction" within the government. Harsh words.

There is reason to note which parties the Social Democrats chose not to "profile themselves" against. That Sorsa proceeded more cautiously with the Left than with the Right opposition, depended naturally on the ongoing budget negotiations, but also surely had deeper political motives.

It is much harder to understand why Liikanen in his discussion of the hateful government confederates did not find any reason to criticize the Rural Party with more than a rather delicate reference to the ongoing "game of nerves" within the party. Neither the Rural Party's double role in the budget negotiations nor Veikko Vennamo's heated speech was considered deserving of critical judgment. Instead the Center Party's "delusions of grandeur" and the Swedish People's Party's "reactionary" role were taken up. The choice must be interpreted as a political characteristic.

On the other hand it should be acknowledged with the greatest satisfaction that the party council on the second day of the meeting came together on a statement in which they finally, from authoritative Social Democratic quarters, disassociated themselves from any attempt to heat up quarrelsome speech. Symptomatically enough the prescription came from the labor union field, and not from the party leadership or even the union leadership.



Erkki Liikanen completed the Social Democratic "profile enhancement" with the usual, for this situation, attack against the unaffiliated newspapers. When he described his own party newspaper as "our only outlet" it showed at least as much about that party's attitude toward the mission of the free press as about the attitude of the free press toward the party.

That, therefore, was what our largest party of this time could accomplish in aiming to enhance their profile. Liikanen promised to return to the Social Democratic goals in the spring session. We are waiting excitedly.

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CSO: 3650/89

## POLL VIEWS VOTING PLANS FOR LEGISLATIVE ELECTIONS

Paris LE FIGARO in French 21 Nov 84 p 2

/Article by Charles Rebois: "'FIGARO-Sofres' Poll, Voting Plans 16 Months Before Legislative Elections; 58 Percent For the Opposition, 39 Percent For the Left"/

/Text/ If legislative elections took place this fall, the opposition would carry them with 58 percent of the vote compared to 39 percent for the left (Communists and Socialists combined). The spread would thus be 19 points. The Socialists (23 percent of the votes) would only win 1/60 of the seats if the majority ballot were retained and some 25 seats with a proportional system, while they now hold an absolute majority in the current assembly with 69 seats. In any case, the opposition would clearly be made up of minorities and the problem of cohabitation of the president of the Republic with a rightist majority would present itself.

The FIGARO-Sofres poll which gives this picture of the electorate reflects the political situation 16 months from the poll. Its results should therefore be interpreted cautiously.

Experience shows that, with the approach of elections, spreads have a tendency to shrink. In the 100 districts where the poll was taken, primaries between the RPR /Rally for the Republic/ and the UDF /French Democratic Union/ are expected. These primaries would certainly not take place with a one-time proportional ballot.

Two previous elections permit significant comparisons: the legislative elections of 1981 (first ballot) and the European elections of June 1984.

In the opposition, the RPR leads in planned votes (26 percent) in front of the UDF (22 percent). Together the two groups get 48 percent, or 8 percent more than in 1981 and 5 percent better than in the European elections.

Modestly represented in 1981, the National Front, on the other hand, would come out at the 7 percent level while it received 11 percent in the European elections.

On the left, the Socialist Party, allied with the MRG /Left Radical Movement/, would collect 23 percent, for a loss of 14.5 percent compared to 1981 and a gain of 2 percent compared to the European elections.

#### Hopes and Forecasts

On the whole, the spreads are relatively small compared to the European elections which blew like a devastating storm across the French political scene, even though their object did not directly concern internal problems.

The spread now separating the two camps has been profoundly established for 3½ years, this time in favor of the opposition.

The desire for a sanction-vote, which was expressed 17 June, remains strong. Today 58 percent of the electorate hope to take advantage of the opportunity the next legislative elections offer them to demonstrate their dissatisfaction with Francois Mitterrand and his government (28 percent would like to show a vote of support).

But the legislative elections take on an importance on the domestic level which the European elections did not have. They commit the future of the country for 5 years. People disappointed with socialism may hesitate to change camps. The government is speculating about their switching. This profound motivation shows in their hopes. Fifty percent really desire the victory of the RPR and the UDF and 34 percent the victory of the left. In this speculative case, the spread between the right and the left would still be 16 percent, with a margin of 16 percent with no opinion.

An additional notion: it rests on prognostication. It is not negligible, even if you ignore the influence on the media, to the extent that the dynamics of success are in play. Sixty-one percent see the RPR and the UDF winning, compared to only 12 percent for the left, with 27 percent not expressing any opinion.

Only the Socialists pretend to believe that they are capable of reversing the course of events. But since the break with the Communists, they are alone and they know they will remain alone. Almost half of them chose an alliance of the "union of the left" type while, on the other hand, 69 percent of the Communists still cling to the idea of a common electoral front.

Within the opposition, positions are even stronger. As for the RPR and the UDF, a unifying spirit prevails. An electoral alliance is hoped for. This desire will exert even more influence since the mode of election, if it combines the proportional method and the majority vote, will permit primaries.

In this final case, an electoral alliance will not rule out the UDF and the RPR each presenting, on the first ballot, if there is one, a candidate in each district with an agreement to desist for the second ballot. The lesson of the European elections has been learned.

## Cohabitation and Government

The occurrence of the legislative elections will not solve all the problems. After the vote, what kind of government will France have? Setting aside the loss of affection of the French for the current government, the Communists persist in dreaming of a government uniting the left; and a few Socialists, equally blind, hope for a homogeneous socialist government. More realistically, 27 percent of the French are supporters of an RPR-UDF government. And only 8 percent of them would make a place for Jean-Marie Le Pen's National Front (18 percent of the RPR). Ancient and eternal aspiration: a national union government including almost all the parties collects 27 percent of the participants. One can always dream!

No matter how discredited the left is, in the same spirit, many French (45 percent) are legitimists when it comes to deciding the fate of Mitterrand between 1986 and 1988. In polls they withhold their confidence from this president whose lack of popularity is unprecedented during the Fifth Republic, but half of them hope that he will stay in power until the end of his term.

The debate about cohabitation continues.

### I. Voting Plans

(Out of 100 votes revealed)	Percent
--Communist Party	13
--PSU, extreme left	2
--Socialist Party and MRG	23
--Miscellaneous left	<u>1</u>
Leftist total	39
--Ecologist	3
--UDF	22
--RPR	26
--Miscellaneous opposition	3
--National Front and Miscellaneous extreme right	<u>7</u>
Rightist total	58
(Not expressing voting plans:	18 percent
 Question--Do you hope that in the next legislative elctions...	
...the voters will show their support for Mitterrand	28
...or the voters will take advantage of this election to show their displeasure	58
--No opinion	<u>14</u>
	100 percent

Question--In your opinion, who has the best chance to win in the next legislative elections?

--The RPR and the UDF	61
--The left (Socialist Party, Communist Party, leftist radicals)	12
--No opinion	$\frac{27}{100}$ percent

## II. Electoral Alliances

Question--In the next legislative elections, do you hope there will or will not be an alliance between the Socialist Party and the Communist Party?

	<u>All of the French People</u>	<u>Percent of Communist Party Sympathizers</u>	<u>Percent of Socialist Party Sympathizers</u>
--Yes, hope so	28	69	47
--No, hope not	50	26	42
--No opinion	$\frac{22}{100}$ percent	$\frac{5}{100}$ percent	$\frac{11}{100}$ percent

Question--In the next legislative elections, do you hope there will or will not be an alliance between the UDF and the RPR?

	<u>All of the French People</u>	<u>Percent of UDF Sympathizers</u>	<u>Percent of RPR Sympathizers</u>
--Yes, hope so	44	78	76
--No, hope not	28	14	15
--No opinion	$\frac{28}{100}$ percent	$\frac{8}{100}$ percent	$\frac{9}{100}$ percent

Question--In the next legislative elections, do you hope there will or will not be an alliance between the UDF and the RPR, on the one hand, and J.-M. Le Pen's National Front, on the other hand?

	<u>All of the French People</u>	<u>Percent of UDF Sympathizers</u>	<u>Percent of RPR Sympathizers</u>
--Yes, hope so	15	16	26
--No, hope not	62	70	64
--No opinion	$\frac{23}{100}$ percent	$\frac{14}{100}$ percent	$\frac{10}{100}$ percent



### III. Common Candidates for the Opposition?

	<u>All of the French People</u>	<u>Percent of UDF Sympathizers</u>	<u>Percent of PRP Sympathizers</u>
...the UDF and the PRP will present, from the first ballot, a common candidate in each district...	28	44	42
...or that the UDF and the RPR will each present a candidate, on the first ballot, in each district, with a desist agreement for the second...	43	46	47
--No opinion	<u>19</u> 100 percent	<u>10</u> 100 percent	<u>11</u> 100 percent

### IV. What kind of Government after the elections?

Question--What kind of government do you hope to see take form after the next legislative elections?

--A government including the Socialist and Communist Parties	13
--A government including only the Socialist Party	15
--A government including the RPR and the UDF	27
--A government including the RPR, the UDF and J.-M. le Pen's National Front	8
--A national union government including almost all the parties	27
--No opinion	<u>10</u> 100 percent

### V. What should Mitterrand do?

Question--In case of the victory of the RPR and the UDF in the next legislative elections, do you hope that Mitterrand...

...will stay until the end of his term	45
...or that he will resign	42
--No opinion	<u>13</u> 100 percent

### Technical Statement of La Sofres

- Poll carried out for: LE FIGARO.
- Date of poll: from 9 to 14 November 1984.
- National sample of 1,000 individuals representative of the total French population aged 18 and over.
- Quota method (sex, age, profession of head of household) and stratification by region and type of population center inhabited.

# Notice

1. This inquiry containing voting plans for legislative elections was carried out in 100 metropolitan districts.

2. Voting plans were measured based on the names of candidates actually present in the districts on the first ballot of the 1981 legislative elections, with two exceptions:

--a candidate from Jean-Marie Le Pen's National Front was systematically included;

--primaries between the RPR and the UDF were foreseen in all districts.

3. La Sofres insists on emphasizing that the results should be interpreted with prudence. The next legislative elections will not take place until the spring of 1986. If elections had to be organized before that date, they would undoubtedly take place in a climate very different from today's.

Question--Deep down inside, who do you hope to see win the next legislative elections?

		The RPR and the UDF	The Left*	No Opinion
Total: 100 percent		50	34	16
Sex				
--Male	100 percent	51	34	15
--Female	100 percent	48	34	18
Age				
--18 to 24	100 percent	46	40	14
--25 to 34	100 percent	40	44	16
--35 to 49	100 percent	52	33	15
--50 to 64	100 percent	58	25	17
--65 and over	100 percent	50	31	19
Profession of Head of Household				
--Farmer, salaried farm worker	100 percent	74	15	11
--Shopkeeper, artisan	100 percent	67	13	20
--Upper management, liberal professional, industrialist, entrepreneur	100 percent	57	31	12
--Middle management, staff members	100 percent	45	41	14
--Worker	100 percent	39	42	19
--Nonworking, retired	100 percent	52	30	18
Party Preference				
--Communist Party	100 percent	1	96	3
--Socialist Party	100 percent	5	85	10
--UDF	100 percent	94	-	6
--RPR	100 percent	95	1	4

Socialist Party, Communist Party, leftist radicals.

## TENSIONS IN PSF BEFORE PARTY CONVENTION EXAMINED

Paris LIBERATION in French 28 Nov 84 p 4

/Article by Gilles Bresson: "PS: The Convergence of the Modernists"/

/Text/ Preparation for the national convention on "modernization" is causing a majority of ideas to appear within the PS /Socialist party/. Close to Lionel Jospin, Rocardians and Mauroyists find themselves holding the same positions. CERES /Center for (Socialist) Studies, Research and Education/ is giving the death rattle and Mitterand's antimodernist supporters are silent.

December...Are the socialist militants who are in utter confusion finally going to hope? If they do not turn their attention to a little Jesus, they will at least be able to think. By looking, on the evening of the 3rd, the hour of truth, at Michel Rocard who has decided to come out of a long silence.... Then, by studying the national convention's draft resolution on modernization (15 and 16 December). This will be preceded by discussions in the sections and federations. In 1986, "this project will be a counterproject," Lionel Jospin has warned. Preparation of this program is the responsibility of the PS congress which is to meet in the autumn of 1985.

The first step will be surmounted at the time of the national convention on modernization. The preparation of the draft resolution lays out its lines of force so as not to say what could be a future Jospinian majority within the PS.

If the text discussed by the militants is considered to be "the fruit of a compromise," like the logical followup of the Bourg-en-Bresse congress's motion, it nonetheless marks a turning point. If modernization means advanced, this text can take advantage of it. And its finalization played a big part in its being so.

The draft resolution was drawn up from replies by the sections to a questionnaire at the time of a national commission where trends were proportionately represented. This method wanted by Lionel Jospin and Dominique Strauss-Kahn, national secretary of research, has one merit: by making the real prevail over the rigid in positions dating back to the Congress of Metz, it has in part erased certain divisions and "archaisms," while allowing the designing of confluences.

The resolution was passed unanimously, with, however, some gnashing of teeth by CERES. And for good reason. It stresses the Bourg-en-Bresse line by bringing about an "updating" at the economic and social level and in not being afraid to take up subjects that were taboo up to now. "Instead of being an incantation, the text takes up the problems, the economic and political difficulties, recognizing what they are," is noted by one Rocardian who is very pleased that "the voluntarism very characteristic of CERES 'you should, therefore you can'" has disappeared. The same sound of the bell for some Mauroyists.

"It can be seen that the relationship to the state is a little more complicated than was thought up to now," one of them notes. "It is not only the state that fills a public service function. The free market can do this also. In fact, this text opens a breach in the relationship between the public and private sectors, yesterday still considered as eroded. It gives a whiff of oxygen." As for the neo-Rocardians, they are clearly more ironic. Don't they write that "the text marks significant developments. Stringency is no longer a digression, we are even concerned about its 'good usage,' the sharing of work is no longer a taboo, it is explained to us that there 'is no use decreeing a rate of growth that we know cannot be realized'...You can imagine our surprise! Neither Jean Poperen, nor Andre Laignel, nor any of their friends have reacted. But where are the comrades who define themselves as "the first Left?" And CERES...?"

As much as to say that Jean-Pierre Chevenement's friends have hardly appreciated "these advances." To get around the difficulty, they have found no other solution than to present a "platform" considered by Lionel Jospin as "a simple contribution to public debate."

While the Mauroyists, the Rocardians and a part of the "A" trend insisted on "clarifying the situation" by pushing CERES to rely on its text or to withdraw it, Lionel Joseph rejected this so that this convention could not be considered a minicongress, from which a future majority would implicitly emerge. The unity of the PS is more than ever necessary in this period, he thinks. He thus does not want to go too quickly or too far. That had been the case at the time of the Bourg-en-Bresse congress where he had finally agreed "to distort" the initial motion under pressure from CERES. Some Rocardians fear that this will again be the case at the time of the convention in December and are denouncing the first secretary's "seesawing." "There are limits. We will not vote for just any text."

Indeed, everyone knows for the moment that the games are falsified. It is possible that a new majority is taking shape around Lionel Jospin, as the preparation of this convention would let us predict. It cannot, however, see the light for another several months. The leaders around whom it could take shape are still held by the logic of the trends, so long as the hypothesis of the future electoral law and its rate of proportional representation is not taken up. It is a question of their nomination. And their weight. It is in everyone's interest to remain on guard. The internal reconstitution of the PS is still coming up against serious obstacles.

## ACTIVITIES, MEMBERSHIP OF 'CRISE' REVEALED

Paris NATIONAL HEBDO in French 23 Nov 84 p 6

/Text/ "CRISE", that means nothing to you? It is not very surprising, for this organization has hardly been spoken of. You should know, therefore, that at the end of the 1970's, on the initiative of Bellavista, an Italian leftist who had taken refuge in France, an information center was set up responsible for accumulating documentation on the "extremists of the Right." Journalists from LIBERATION, L'UNITE, party members from the PSU /Unified Socialist Party/, the Revolutionary Communist League of Krivine and other small leftist groups cooperated in this center.

The extradition of Bellavista, who was working as a proofreader at LIBERATION was demanded by the Italian courts but refused by the French courts, a lot of intellectuals having hastened to sign a petition in favor of this poor soul.

Since the coming of the Left to power, "CRISE" seemed somewhat asleep. Such a situation could not last.... This center was taken in hand by someone named Halevy, very close to the PLO, who is also a leader of the CODENE (European Committee for Nuclear Disarmament).

In this respect, wouldn't it have been "CRISE" that furnished the documentation for the drafting of a tract (photo in support) that constitutes a veritable appeal to murder against personalities of the "extreme Right?" This text, which does not seem to disturb Pierre Joxe, is circulating in the red faculty at Tolbiac.

9434

CSO: 3519/137



POLITICAL

FRANCE

BRIEFS

SOVIET JOURNALIST AT MILITARY MANEUVERS--For the first time, the Ministry of National Defense has authorized a Soviet journalist, Y. Kovalenko, a specialist on military problems for IZVESTIA, to be present at the military maneuvers in Haut-Marne, despite the reluctance of the French military. In this connection, is a French observer present at the Warsaw Pact maneuvers? /Text/ / Paris  
NATIONAL HEBDO in French 23 Nov 84 p 6/ 9434

CSO: 3519/137

## INDEPENDENCE PARTY PROBLEMS WITH PROGRESSIVES, LABOR

Reykjavik MORGUNBLADID in Icelandic 7 Nov 84 p 9

[Commentary by Staksteiner: "Opposition to the Government in NUTIMINN Editorials"]

[Text] "It is reported from those in the government's camp that Steingrimur Hermannsson has offered an apology to Thorstein Palsson on account of editorials in NUTIMINN, the Progressive Party organ, and has stated that attacks on the Independence Party will cease. A week has now passed and they have not decreased," thus the introduction to a recent DV [DAGBLADID-VISIR] editorial. Today we pick our way over the stones of NUTIMINN government opposition mores. Also a subject of discussion is the new presidential aspirations of THJODVILJINN in the Association of State and Municipal Employees.

## NUTIMINN Moving in the Other Direction

The Progressive Party has long congratulated itself on being open to both right and left. From the time that Steingrimur Hermannsson, party chairman, formed his government until a short while ago NUTIMINN, the party organ, has been inclined towards the right. Recently that inclination changed completely and the paper is now moving in the other direction. Recriminations directed at the Independence Party, especially Independence Party chairman Thorstein Palsson, have gone beyond all bounds. The mystic rantings of THJODVILJINN, not pure by any means, seem like a lullaby in comparison with the vindictiveness and spite of NUTIMINN in regard to the Progressive Party's coalition partner. One sentence, reiterated from the Sibyl by NUTIMINN in an altered form runs as follows: "Since Thorstein Palsson has been Independence Party chairman the party has been in complete decline."

However, it was Steingrimur Hermannsson who offered the Independence Party chairman his apologies for the NUTIMINN editorials and promised corrections, according to DV, that have provided NUTIMINN editor copy for lead articles. The language of these articles is stiff and exhibits certain major signs of the new editorship. On the other hand, there are things in some of the articles that indicate that the one writing them has contact, perhaps indirect, with a government source. Personal characteristics that emerge from

the articles could suggest the Ministry of Fisheries. But whoever is behind the hoopla in NUTIMINN lead articles and pulls at the strings of the puppets, one thing is clear: NUTIMINN has come out in the forces behind THJODVILJINN mobilized against the government of Steingrimur Hermannsson. The treacherous attack on the government has come from no other direction. There are still Brutuses in the world.

#### THJODVILJINN Presidential Aspirations in the Association of State and Municipal Employees

The People's Alliance Party has long looked upon associations of working people as party colonies of a sort. It has been the policy of party leaders that the party should manipulate these associations from a distance: to keep them quiet and gentle while the People's Alliance Party is in power and use them to create a national political uproar when the party is out in the cold. It never occurs to such dictatorially minded politicians that the workers must themselves choose their leadership and take charge of the policy decisions of their associations. They look upon the choosing of labor leaders, whether within associations of public workers or among wage earners of the general labor market, as a "game" in which they alone can participate.

THJODVILJINN, the echo of Svavar Gestsson, published a Sunday interview with its favorite child on television, Ogmundur Jonasson. The last question of the interview was as follows: "Finally Ogmundur, who do you think will be the next head of the Association of State and Municipal Employees?"

That is an innocent question, on the surface at least. However, it is clear that the People's Alliance Party and THJODVILJINN have furthered the presidential aspirations of radicals in the association. A television personality, who is, so to speak, a daily guest on Icelandic television screens and is in terms of his views as far to the left as the others, is well placed to play a part in the "game" as a "little, ugly communist sympathizer" controlling the People's Alliance sport.

#### Repudiation of Tax Decreases

The leadership of the Association of Icelandic State and Municipal Employees has rejected a tax decrease, of the kind offered by the government, as a means for general wage improvements. Such a tax decrease would increase the disposable income of families, that is the purchasing power of wages, without having an inflationary impact. Increases of wages in numbers of kronur beyond that called for by economic fact does, on the other hand, unquestionably find its reflection in prices. Goods and services on domestic markets increase accordingly. Cost increases of export goods have worked out into some kind of a foreign exchange cut. The krona decreases in value, purchasing power increase is eaten up and the result has been loss to everyone and the advantage of none. This has been the often repeated experience of the Icelandic people for a decade and a half.

Decrease of taxes means, to be sure, a continued cut in state expenditures. But the treasury would also gain advantages from it in more moderate krona figure increases and a real decrease of the value increase of other expenditures and activities.

## PEOPLE'S ALLIANCE PAPER SAW POLITICAL GAINS FROM STRIKE

Reykjavik MORGUNBLADID in Icelandic 8 Nov 84 p 9

[Commentary by Staksteiner: "Breach Made in Inflation Defenses"]

[Text] The realization is becoming clearer and clearer to THJODVILJINN that the strike of recent weeks was more a political attack on the Icelandic government and upon its inflation defenses than a simple struggle over wages, if one reads between the lines. The acknowledgement of this emerges distinctly in THJODVILJINN's lead article of last Tuesday. Staksteiner looks at this lead article in his column today--likewise a new lead article of ISLENDINGUR A AUKUREYRI.

## THJODVILJINN Stigmatizes the Strike as Political

The recent Association of State and Municipal Employees strike was more unpromising in its execution than has been customary in similar actions by member associations of the Icelandic National Union. There was more serious violation of law in this strike. The perpetrators of such activities gained, to be sure, in the agreements that were later made a kind of pardon for their serious violations, at least as regards individuals within the Association of State and Municipal Workers and individual ministries. The government, however, could not, to be sure, make an agreement for other independent participants who violated the law on their own. The majority of the people is in total agreement with the necessity of adjudicating the "uncertainties" with regard to the way in which the strike was carried out according to the rules of a constitutional state, that is, through judicial decisions of an impartial court.

THJODVILJINN, "the organ of socialism, national liberation and the labor movement," rages these days like a bull on the slab against judicial power over what was legal and what illegal with regard to the dispute over things done during the strike. The most important argument of the paper, which came forth openly in last Tuesday's lead article, is that institutions basing their powers upon legal pronouncements of the courts "interject themselves into political disputes in a very questionable way."

The following is what the paper said:

"It has now come about that the Icelandic State University has interjected itself into political disputes in a very questionable way. University administrators have decided to take the Association of State and Municipal Employees to court for strike picketing during the opening days of the recent strike. This decision is absurd...."

University administrators have made very clear that their intention is solely to adjudicate, through legal pronouncement, the best way to look at the strike actions disputed about. This is necessary for the future. At present we live in a nation of courts. The important thing, and this is generally recognized, is that all must be equal before the laws of the land--and with laws shall the land be built--including the leadership of the Association of State and Municipal Employees. Every honest and law-abiding man who prefers the truth supports the effort of the Icelandic State University to bring about, through just rules, the proper decisions on disputed actions. The management of THJODVILJINN is in no way an Icelandic supreme court. Soviet-Iceland can be a "fact" in the minds of Icelandic Marxists--but not in reality.

Good Years and Lean--and the Leadership of the Association of State and Municipal Employees

"Who gained the advantage?" was the title of a recent lead article in ISLENDINGUR A AKUREYRI. The conclusion of the article is as follows:

"Since public employees obtained the right to strike in 1976, they have been slow to use it. They used their right to strike, however, against the government of the Independence and Progressive Parties that gave them the right. Since that time the wages of public employees have worsened considerably, even though the external circumstances of the national household were good up until 1982. Now, when national income has dropped for 3 years in a row due to worsened trading conditions and a declining fish catch, the leadership of the Association of State and Municipal Employees has mobilized its troops to correct its wages. A lean year is the time that Kristjan Thorlacius has chosen to recall that which he forgot in good years.

"It is true, to be sure, that the good years were not as good as they appeared to be, since much of the good was brought about through usurious loans with foreign banks. The government has now been punished for recognizing that reality.

"It is no secret that tax cuts have long been anathema to the People's Alliance. The faith of the People's Alliance in the income tax is based upon the supposition that the income tax is a way for income equalization. In reality this has not, on the other hand, proven to be the case. The income tax is the fountainhead of much inequality in Iceland and is grist in the mill of national earning. A fact that might lead one to conclude that the People's Alliance would be under no compunction to support it. In addition, the moral bases of the income tax are to a very large degree doubtful. It is in its essence punishment for a large income rather than a way to equalize income.



"It is clear that proposals to reduce taxes have been rejected and that the economic goals of the government will not be achieved.--The People's Alliance boasts of victory--wage earners, on the other hand, cannot do so."

The People's Alliance was in the government during the good years for the national household. Their regime not only ate up everything that good times brought, but they obligated the nation to those foreign debts that are the chief cause of a lowered standard of living today, together with a diminished fish catch, value decline for export goods and wrong financing.

9857

CS0: 3626/3

## PACIFIST SOCIALIST PARTY SEEKS LEFTIST ALLIES

Rotterdam NRC HANDELSBLAD in Dutch 26 Nov 84 p 3

[Text] Rotterdam, 26 November--the PSP [Pacifist Socialist Party] will try to reach agreement with the CPN [Communist Party of the Netherlands] and the PPR [Political Party of Radicals] regarding a common list of candidates for the House elections of 1986. By a narrow majority, the PSP congress yesterday accepted the proposal of the party's executive committee to open deliberations on this subject with the CPN and the PPR.

Group leader Van der Spek emphatically rejected any form of cooperation with other leftist parties. According to him, that would mean a weakening of the left, which could only be to the advantage of the rightist parties. The remaining members of the second and first house groups of the PSP all stated that they supported a firmer contact with other radical-left parties.

When it came to a vote, 3 523 members appeared to favor the proposal of the party executive committee, while 3 100 members felt that the PSP should remain completely independent as it entered the elections of 1986.

This outcome means a change in the party line of recent years. In June of last year a special strategy congress held in Steenwijk spoke out against all proposals of the party executive committee to enter into close structural cooperation with the CPN and the PPR. The party executive committee then stepped down after that defeat.

The congress then determined that exploratory discussions must begin, which, however, might not take on the character of actual negotiations. In June of next year the party executive committee must publish a progress report, on the basis of which a later congress will determine the possible form of cooperation with the CPN and the PPR.

The opposite proposal, which also received the support of a minority of the party executive committee, stated that developments within the CPN and the PPR give no reason as yet to begin negotiations over structural cooperation with those parties.

## Impediment

Group Chairman Van der Speck warned against making any compromises with other parties, because the latter, in his opinion, might become an impediment to the revolutionary changes advocated by the PSP. He was afraid that any such compromises would, for example, result in only a partial disarmament and a partial socialization process. His colleagues in the group, Willems and Van Es, believe, on the contrary, that cooperation with other parties could be a source of inspiration for the inauguration of extra-parliamentary activities as well.

Amsterdam Community Council Member Kohler also opposed Van der Spek's views. He argued that compromises may definitely be seen as steps forward, and that they are sometimes better than remaining in splendid isolation to proclaim one's own self-righteousness.

Party Executive Committee Member F. Jansen argued that cooperation is not a goal that the PSP feels it must win at any cost; rather, a great deal will depend on the extent to which the CPN and the PPR are willing to adopt the viewpoints of the PSP.

Whether agreement can be reached on a common list of candidates for 1986 or not will have to come out of the discussions themselves. Let us therefore, in our deliberations, first take a good look at what the CPN and the PPR are willing to concede, says Jansen.

At first the opponents had no confidence in the contacts with the CPN and the PPR, however, especially given the internal situation of those parties. The congress ultimately decided that no discussion would be possible, in any case, with the EVP [Protestant People's Party], nor with Groenen or the Scholten/Dijkman group.

To the very last moment, the result of the voting was quite uncertain. By a show of hands, there seemed at first to be a narrow margin in favor of suspending all contacts with the CPN and the PPR, to the visible delight of Van der Spek. BUT because not every delegate represents the same number of members, a written vote had to be taken, to produce the definitive results. The proportion of votes seemed then to be a good 3 500 to 3 100 in favor of cooperation with the CPN and the PPR.

8117

CSO: 3614/42

## POLL SHOWS BIG ELECTORAL WIN FOR LABOR PARTY

Rotterdam NRC HANDELSBLAD in Dutch 4 Dec 84 p 3

[Text] The Hague, 4 December. The Labor Party (PvdA) would obtain 65 seats if the Lower House elections could be held right now (a gain of 18 seats). At the same time, the government groups--the CDA [Christian Democratic Appeal] and the VVD [People's Party for Freedom and Democracy]--would together obtain only five more seats than the PvdA taken by itself. According to an Avro-Lagendijk poll published yesterday, the CDA comes out with 43 seats (It now has 43 also) and the VVD with 27 (It now has 36). The PvdA gain, according to this poll, conducted in mid-November, comes from D '66 [Democrats '66], from various small leftist parties, and in less measure from the CDA.

The poll shows D '66 with two seats (It now has six). The PSP [Pacifist Socialist Party] remains with three seats, the CPN [Communist Party of the Netherlands] goes back to two seats, and the PPR [Political Party of Radicals] to a single one. Of the small rightist parties, the SGP [Political Reformed Party] loses one seat, and the Centrumpartij disappears altogether. The GVP [Reformed Political Union] gains one seat (from one to two), and the RPF [Reformed Political Federation] remains with two seats, while the EVP [Protestant People's Party] retains its single seat.

The Avro-Lagendijk poll indicates that most of the PvdA voters give preference to the party because of its concern for the people with low incomes and for those on welfare. The people who give their vote to the PvdA appear in large measure to be the voters who themselves have a low income and a minimal education.

The attractiveness of the PvdA is further based on the attitude of the party towards cruise missiles, its opposition to retrenchment, its efforts to implement a job opportunity policy and its rejection of nuclear energy.

8117

CSO: 3614/42

## UNEMPLOYMENT APPEARING AS LEADING ISSUE IN ELECTION CAMPAIGN

Helsinki HUFVUDSTADSBLADET in Swedish 11 Nov 84 p 14

[Article by Rolf Kluge, HBL correspondent in Oslo: "Norway's 60,000 Unemployed a Weapon in 1985 Election"]

[Text] Oslo. The struggle against unemployment became the most important theme during the first large test of strength in the Storting last fall. It will also become the most important theme during the approaching election campaign before the Storting Election-85. The opposition will see to that.

According to information from the public employment offices, more than 60,000 people are without work in Norway today. That is between three and four percent of the able-bodied population. As a political reality the situation is serious. No government in our Nordic democracies can neglect such a problem. Still the question is asked about how great this social problem really is. Economic analysts are inclined to ask how one can fight against an imagined enemy.

Nobody denies that something dramatic has happened within Norwegian industry. Flourishing shipyards with thousands of employees have been closed. Within the timber industry mergers and concentration have caused many small communities to lose their most important businesses. In addition the high level of Norwegian prices has caused many businesses which produce for the domestic market to succumb in competition with cheaper imported goods.

#### The Other Side of the Coin: Oil

But the coin also has another side. The oil activity and all that goes with it has created thousands of new, highly paid jobs. It has also stimulated development of new technology--mostly in computers and communications, an area in which Norway is now far ahead and new employment opportunities are being created.

Oil income gives the state the possibility to set up a number of public services within the area which require large personnel resources, for example the social sector.



The 60,000 unemployed clearly illustrate the structural changes now taking place. There is no exact figure for how many of these are on their way from one trade to another. That would require a very complicated calculating model. Foreign experts, who are more easily able to see things "from a distance," believe that in reality the country has too little manpower. The labor market will become difficult again when the structural changes are completed.

Seen schematically, it is easy to agree. On the North Sea there is a large number of guest workers, and in trades with a low status in a number of Norwegian cities and populated areas there are thousands of working immigrants from Pakistan, Turkey and North Africa. Norwegians do not compete within these trade groups.

### Pretended Unemployment

In several business branches they are reacting to what is called pretended unemployment--a job is offered which nobody wants. Also, the public employment offices have the experience of people saying no thanks to jobs offered by the offices.

Circumstances are different in different parts of the country. The closer one comes to the sources of the oil, the easier it is to get a job. That is obvious. But it is less obvious that within one and the same trade group one can find both unemployment and lack of manpower depending on where in the country one goes.

For example, while there is significant unemployment among teachers in the area around Oslo, it is impossible to find enough in North Norway. The situation is similar within many trades. Comparable circumstances turn the concept of unemployment into a question of definition.

But for the individual family that is affected the result is different. It can be a great strain to change jobs or even trades. For older workers it can appear impossible. Many force themselves to move to new towns. High living and dwelling standards have made the work force less mobile than previously. People do not easily break away from a well-established environment.

Another factor in community development works in the same direction: it has become more and more common that both husband and wife work at a trade. In case one becomes unemployed, he or she can not move away because of the work situation of the other.

So the politicians can not belittle the problem with statistics. There is also full agreement that the unemployment figures must be reduced. In the ongoing debate the government considers that it could reduce them from 60,000 to 50,000 during 1985.

## Same Goals, Different Means

The opposition, in this case the Labor Party, promises to get the figures down to 20,000 during 4 years in case it wins the election next fall. There is no great difference between the two promises, but there is a great difference in the means

The government wants primarily to stimulate business through continued tax decreases for companies and employees. The policy, as it was formed by the Willoch Government following the 1981 election victory, stands firm. It has caused inflation to be halved, and there are signs that investments and production are picking up. But it goes slowly in a business world that is so dependent upon the international economic situation as Norway's is. Unemployment, which reached a peak of 70,000 one year ago, is now declining to 60,000.

Against this policy is the Labor Party with a demand for greater use of oil money and public means to apply direct measures against unemployment. In other words: heavier taxing of those who have income in order to increase the transfer to those who do not.

As long as the unemployment figures remain so high, many are going to support such a demand, and this will carry weight in the approaching election--even if government spokesmen maintain that it was just that policy which created high inflation during the Labor Party's time in government.

9287

CSO: 3650/89

## REJECTION OF PROPOSED ELECTORAL LAW AMENDMENTS

Madrid YA in Spanish 6 Dec 84 p 11

[Text] Madrid--The full session of Congress yesterday rejected all the amendments to the bill on the general electoral system presented by Oscar Alzaga for the Popular Group, communist deputy Carrillo and Juan Maria Bandres, representative of Euskadiko Ezkerra. Alfonso Guerra, deputy prime minister, presented the bill and repeated the government's offer to achieve as much consensus as possible in the regulation of this bill which complies with Article 81 of the Constitution to establish valid electoral laws to cover all the representative institutions of the country.

Alfonso Guerra recalled the talks he has held with the different political groups. He emphasized that it is an attempt to guarantee equality in the exercise of the right to vote as well as widespread acceptance of the basic principles of the bill. He also stated that this consensus had been achieved on the basic aspects, "at times at the cost of giving up some of the positions of the party that supports the government which were contained in its electoral program." He mentioned not expanding the number of deputies in Congress to 400, not reducing the minimum number of deputies per province and continuation of the minimum number of votes per district to obtain seats.

For the Mixed Group Juan Maria Bandres, representative of Euskadiko Ezkerra, defended an amendment to return the bill since it was felt that the minorities were left out and bipartisanism prevailed with no respect for equal opportunity. They were opposed to the candidates' oath or prior promise of allegiance to the Constitution and the increase in the minimum needed per district in the municipal elections.

## No Consensus

The spokesman for the Popular Group and leader of the PDP [People's Democratic Party], Oscar Alzaga, defended another amendment for return based on his group's concerns because it is an attempt to change legislation at a time when there is an absolute majority in the Chamber. He emphasized that the talks held with the deputy prime minister did not constitute a pact. He also questioned, from a doctrinal position, whether it was necessary to amend the 1977 legislation since no one has contested the elections that have been held since the Constitution went into effect. He attacked the timing of the bill since

he felt that it did not provide guarantees to the electoral process. "Although it did respect the main features of the 1977 decree law," he notified the government that he hoped that the parliamentary majority would not introduce amendments to those "main features" at the last minute during transaction in the Senate. According to Alzaga, a maneuver of that type would affect the bases of the system and the climate of agreement.

Santiago Carrillo spoke for the communist deputies. He began by asking who had agreed on the bill with the government. He indicated that the fundamentals of the 1977 decree law remained but the socialist commitments to readjust the proportionality of the system were not carried out.

For the Socialist Group, Eduardo Martin Toval expressed his surprise at Mr Alzaga's speech. In the opinion of the socialists, the Popular Group's amendment for return was not justified as the spokesman for legal affairs of that group, Ruiz Gallardon, had apparently revealed. Martin Toval emphasized that if the fundamental aspects of the law were not questioned in the amendments, it did not make sense to present an amendment for return.

All the amendments were rejected with votes not only from the socialist majority but also from the Basque, Catalan and centrist minorities who stated that the bill was a good starting point to seek maximum consensus.

7717

CSO: 3548/65

## POLL ON NATO, EEC POPULAR POLITICAL ATTITUDES

Madrid YA in Spanish 6 Dec 84 p 12

[Text] Madrid--The majority of Spaniards feel that Felipe Gonzalez was wrong in his offer on NATO but feels the action of the government is correct in the negotiations with the EEC. A very high percentage criticized the municipal surcharges on the income tax. In scoring the leaders, Felipe Gonzalez remains in first place followed by Roca, Suarez and Fraga. One very important fact is that the electoral weight of the center and the right is equal to that of the PSOE [Spanish Socialist Workers Party], something that has not happened since before the 1982 elections.

A majority of Spaniards considers Felipe Gonzalez' offer on NATO during the debate that was held in the Congress of Deputies on the state of the nation at the end of October mistaken, according to the results of the third monthly poll taken by OTR/IS headed by Juan Diez Nicolas. It was carried out from 12 November to 17 November with a national representative sample of 1,204 people over the age of 18. The only question on which all the segments of population agreed was that the action of the government with respect to negotiations on Spain's admission to the EEC was correct.

The measures that are generally considered mistaken included President Gonzalez' offer on NATO--only endorsed by some segments of the population like the retired, people over 50 and voters from the center--and the municipal surcharges. Controversial questions are the fight against crime and the policy of citizen security. In both cases, those in the upper class and those who place themselves in the right or center right politically show a much more critical attitude than those who are in the left and left center. The PSOE voters clearly favor the government initiatives.

Three topics do not seem to interest the Spaniards. In this poll, 37 percent had no opinion on the autonomous policy, 40 percent had none on the fishing agreements and 55 percent did not want to give their opinion on the general national budgets for 1985. There is little difference between those who feel that these measures are right and those who consider them wrong.



## Felipe and Roca, Most Esteemed Leaders

After the debate on the state of the nation and the speeches by the main leaders, the highest ratings, on a scale from 0 to 10, were obtained by Felipe Gonzalez (6.4) and Miguel Roca (5.5) followed by Adolfo Suarez (5.0), Manuel Fraga and the rest, all with scores of less than 4. In general, in the social evaluation of the leaders, Felipe Gonzalez continues in the lead with a score of 6.1 (followed by Suarez and Roca (5.0 in both cases), a considerable increase. Other leaders known by more than 70 percent of those surveyed were Fraga, Reagan and Margaret Thatcher, all with low ratings (3.8, 3.3 and 3.1, respectively).

In the opinion of those surveyed, the results of the debate on the state of the nation were more favorable for the CDS expansion = Democratic Social Center, CiU needs no expansion and PSOE and less favorable for the PNV [Basque Nationalist Party], Euskadiko Eskerra, Esquerra Republicana, PCE [Spanish Communist Party] and, especially, the AP [Popular Alliance].

As to the political position of the Spaniards, the trend of previous months was confirmed. The left only has twice the weight of the right (in 1982 and 1983 it was triple) and the center plus the right equal the left. This has not occurred since before the 1982 elections.

As to the social image of the institutions, of those known to more than 70 percent of those surveyed, the most respected are the Armed Forces (5.7) followed by the national government (5.2), the Spanish Cortes (5.1), television (4.7), banking (4.3) and political parties (3.8). Only the university and the autonomies seem to be known by less than 70 percent of the people who participated in the poll.

## CDS, PRD and PCE Grow

In the section on sympathy for the various parties and the transfer of votes, everything indicates that although the AP and PSOE seem to have lost part of their 1982 electorate, that loss can be attenuated and even compensated for in the case of the AP because of the concealment of votes among those surveyed. The growth that the CDS, PRD [Democratic Reformist Party] and PCE are experiencing is obvious although the three parties are still small proportionally. If abstention in a hypothetical election were the same as in 1982, the political parties can only hope to divide up 10 percent of the electorate.

7717

CSO: 3548/65

## FOREIGN MINISTRY'S BERDEJO ON GIBRALTAR ACCORD RAMIFICATIONS

Madrid DIARIO 16 in Spanish 5 Dec 84 p 10

[Interview with Mariano Berdejo, director general for Europe at the Ministry of Foreign Affairs, by Enrique Montanez, diplomatic correspondent for DIARIO 16: "Gibraltar Will Be Spanish When the Two Peoples Learn to Coexist"; date and place not specified]

[Text] Madrid--He is opposed to using the term peaceful invasion but acknowledges that Gibraltar will return to Spanish sovereignty when the two peoples have learned to coexist. He states that there is no relationship between the decolonization of the Rock and Ceuta and Melilla. He states with conviction that our admission in the European institutions has made Great Britain reflect on the need to unfreeze its relations with Spain. Mariano Berdejo, director general for Europe at the Ministry of Foreign Affairs, analyzed the repercussions of the Brussels Agreement for DIARIO 16.

[Question] One segment of the public feels that Spain has ceded more--with the upcoming opening of the gate--than Great Britain which has only agreed that it will talk about sovereignty in the negotiations with Madrid.

[Answer] This is the first time Great Britain has promised to negotiate the sovereignty of Gibraltar. This is substantial progress, but that is not all. The British Government, in agreement with the Gibraltar Government, has agreed to apply the EEC standard--that is, the EEC measures that will permit Spaniards to live on the Rock, stay overnight or buy houses.

Since Utrecht

[Question] What does it mean to talk about sovereignty?

[Answer] There was a clause in the Treaty of Utrecht which forced us to give up the Rock forever. It was an uneven treaty that was imposed on us. Spanish delegates did not even participate in it. This perpetuity is what Spain wants to revise.

[Question] Great Britain has already set a date for decolonization of Hong Kong in 1993. What type of deadline does Spanish diplomacy contemplate for the return of Gibraltar?

[Answer] In the case of Hong Kong, there was to be reversion at a set date. Since this is not the case for Gibraltar, no date can be given. It would be naive. We are facing very slow negotiations in which the main thing, I repeat, is the coexistence of the Spanish and Gibraltar peoples.

[Question] The opening of the gate?

[Answer] This will be done before 15 February as was indicated in the Brussels Agreement. An interministerial committee will be formed soon to resolve the different technical problems involved like transfer of customs personnel and establishment of the necessary control mechanisms at every border pass--in short, administrative measures that will take some weeks.

#### Territorial Problem

[Question] What can Spain do if the Gibraltarians want to remain British citizens?

[Answer] I want to make it very clear that Spain does not want to make people Spaniards if they do not want to be. Fernando Moran frequently says that if they offered us Gibraltar on a silver tray against the will of the Gibraltarians, we would not keep it.

[Question] I don't understand. Is it a problem of people or territory?

[Answer] It is a problem of territory. There is no question about that. The United Nations recognizes that it is a question of territorial decolonization.

[Question] Could the Gibraltarians propose self-determination for the territory at some point?

[Answer] No, absolutely not. The Gibraltarians do not have the right to self-determination. By definition, Gibraltar cannot be the third state on the Iberian Peninsula.

[Question] Returning to sovereignty, does Spanish diplomacy contemplate an intermediate formula like shared sovereignty which has been mentioned occasionally?

[Answer] It is premature to begin to talk about formulas. The idea of joint ownership or shared sovereignty exists historically but not here. We will eventually offer the Gibraltarians a special status guaranteed by the United Nations. I repeat that Spain will not make people Spaniards if they do not want to be.

#### NATO

[Question] Great Britain's willingness to negotiate has been tied to the announcement by the Spanish president that Spain will not pull out of NATO.

[Answer] Great Britain has never made any reference to NATO since the talks that ended with the Brussels Agreement began in March 1983.

[Question] Why is Great Britain willing to negotiate the sovereignty of the Rock for the first time?

[Answer] The London government wants to have better relations with Spain. I will give you some statistics. About 10 percent of the British people go to Spain each year to spend their vacation. About 100,000 British live permanently in our country. Some 60,000 Spaniards work in Great Britain and have never caused any problem. They are the two oldest parliamentary monarchies in Europe. Spain is a consolidated democracy that incorporates European structures. Great Britain is very aware of all this and has realized that it cannot continue to ignore Spanish reality.

#### Ceuta and Melilla

[Question] Ceuta and Melilla. It is commonly said that when Spain regains Gibraltar, we will have to return the two garrisons in northern Africa to Morocco.

[Answer] Ceuta and Melilla are not described as colonies while Great Britain has always recognized that Gibraltar was.

[Question] The Western Sahara was a Spanish province. However, Spain had to decolonize those territories.

[Answer] The decolonization of the Sahara has been the greatest failure in Spanish foreign policy because it coincided with an international situation of isolation for our country and a power vacuum due to General Franco's slow death. The public must know that the cases of Ceuta and Melilla are totally different.

#### Manpower

[Question] It has been written recently that our upcoming admission into the EEC opens the door of Gibraltar to Spanish manpower. Concretely, what has been achieved?

[Answer] The Brussels Agreement signed by Minister Moran and Minister Howe establishes the following in a simplified form. 1) It grants the immediate right to live in Gibraltar and buy property. 2) Great Britain will apply the same transitory periods to Spain that our country has with the EEC. This means that during this time--between 6 and 8 years--the Spaniards will need a work permit to work in Gibraltar as will the Gibraltarians in Spain. 3) When the gate is opened, a Spaniard will have job preference over a worker from a country that is not a member of the EEC. 4) The Spaniards will have the right to stay overnight in Gibraltar.

[Question] Will Great Britain agree to all the above because of the Gibraltar economic crisis and the money its last colony in Europe is costing the British crown?

[Answer] It is not an economic problem for London. Remember, it costs much more to finance the Falklands than Gibraltar.

## TRAINING, MATERIEL, MEDICAL TASKS OF GENERAL NAVY OFFICE

Koblenz MARINE-RUNDSCHAU in German Oct 84 pp 444-451

[Article by Rear Admiral Horst Geffers: "The Navy Bureau"]

[Text] The Navy contributes to the FRG's defense by meeting acts of aggression which are committed at sea against the FRG, its allies, and sealanes that are vital to the Alliance.<sup>1</sup> To be able to accomplish this mission, it also had to create a structural organization for itself with target-oriented matching of tasks, personnel, and materiel. This the Navy obviously did not always find easy because the command structure and the organizational form were subjected to frequent change. In this way, the Federal Navy is also continuing a tradition which persuaded Hubatsch, in his study on the German naval operations staff, to express the judgment that the organizational form of the highest Navy duty stations in Germany was changed more frequently than would have been good for fruitful growth.<sup>2</sup> The Navy Bureau, which will be reported on in this article, can in this respect likewise not be considered a preserve of permanence and quiet. If we want to illustrate the development and tasks of this Bureau in their essential features and in an understandable manner, then it is necessary also to cast a glance at the Federal Navy as a whole. This is why we will in the following also mention in outline the fleet and support sectors as regards their development.

## Navy Bureau's Predecessors

In the reconstruction of the German armed forces, it was decided deliberately to refrain from establishing independent military high commands for the various services. The BMVg (Federal Defense Ministry) thus at the same time represents the highest national command and administrative authority. In the subordinate sector, the Navy initially created three higher command authorities (Figure 1). Here, the Naval Combat Forces Command had under it, in addition to the commander-in-chief, naval combat forces, North Sea, and commander-in-chief, naval combat forces, Baltic, the sea-going combat units as well as the Naval Aviation Command, while the Fleet Base Command--with the North Sea and Baltic navy sector commands--was responsible for bases, depots, and shore-based communications units. The Navy Training Command, as the third higher command authority, was given the mission of planning and executing training



activities according to the guidelines issued by the BMVg/Navy Department. The following were subordinated to it:

In administrative and technical terms:

The Ship Cadre /parent/ Regiment, the Muerwik Navy School, the Petty Officer School, the Navy Supply School, the Training Squadron, training vessels, and the PT-Boat Training Squadron;

Technically only:

The Navy Department of the West German Armed Forces Command Academy;

Administratively only:

The Navy Weapons Command with the Navy Gunnery School and four weapons testing stations, the Navy Communications Command with the Navy Communications School, the Navy Radar School and two experimental stations, the Ship Engine Command with the Navy Technical School and the Navy's Cadre /parent/ duty stations.

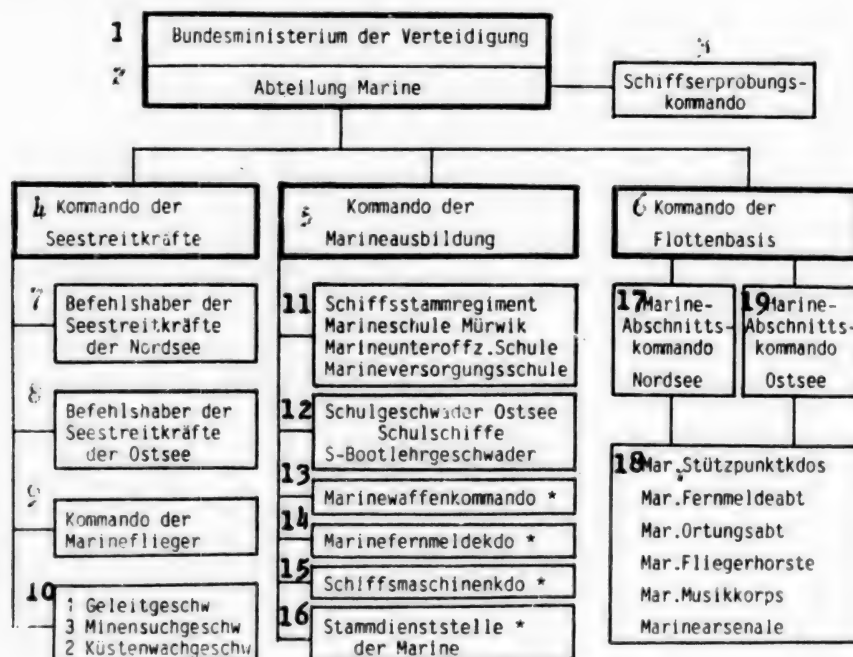


Figure 1. Status as of 1 May 1957. Key: 1--Federal Defense Ministry; 2--Navy Department; 3--Ship Testing Command; 4--Naval Combat Forces Command; 5--Navy Training Command; 6--Fleet Base Command; 7--C.-in-C., Naval Combat Forces, North Sea; 8--C.-in-C., Naval Combat Forces, Baltic; 9--Naval Aviation Command; 10--one escort squadron, three minesweeper squadrons, two coast guard squadrons; 11--Ship Cadre Regiment, Muerwik

Navy School, Petty Officer School, Navy Supply School; 12--Baltic Training Squadron, training vessels, PT-Boat Training Squadron; 13--Navy Weapons Command\*; 14--Navy Communications Command\*; 15--Ship Engine Command\*; 16--Navy Cadre Duty Station\*; 17--Navy Sector Command, North Sea; 18--navy base commands, Navy Communications Division, Navy Radar Division, naval airbases, Navy Band, navy arsenals; 19--Navy Sector Command, Baltic; \*--subordinated only administratively.

The Naval Training Command was renamed Central Naval Command on 1 February 1962 and its mission was enlarged. The Ship Testing Command was placed under it, as the Ship Acceptance Command, which until then had been directly under the Ministry. The service regulations, navy medical, and navy technical library sections were switched from the sector of the Fleet Base Command to the Staff of the Central Naval Command, after the STAN /T/O & E/ had already been switched to the Naval Training Command in 1960. The technical commands, which were subordinated only administratively, were renamed; their commanders were given additional inspector assignments and authority for the entire Navy; the commander of the Central Navy Command was given inspector authority in the field of individual naval training (Figure 2).

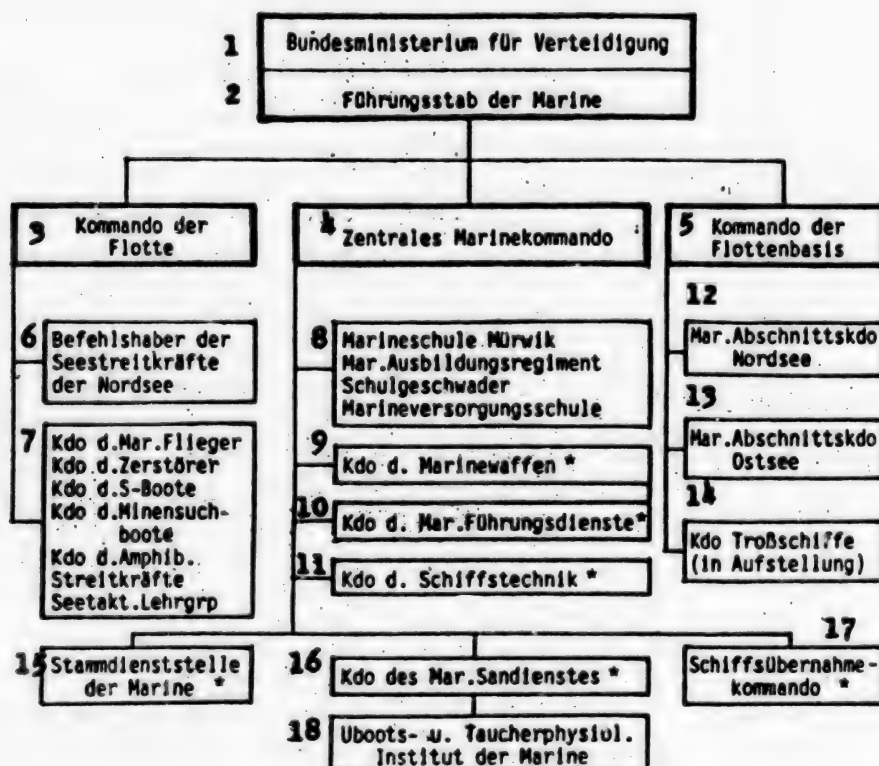


Figure 2. Status as of 1 April 1962. Key: 1--Federal Defense Ministry; 2--Naval Operations Staff; 3--Fleet Command; 4--Central Navy Command; 5--Fleet Base Command; 6--C.-in-C., Naval Combat Forces, North Sea; 7--Naval Aviation Command, Destroyer Command, PT-Boat Command, Minesweeper Command, Amphibious Forces Command, Naval Tactics Training Group; 8--Muerwik Navy School, Navy Training Regiment, Training Squadron, Navy Supply School; 9--Naval Weapons Command\*; 10--Naval Operations Services Command\*; 11--Naval Engineering Command\*; 12--Naval Sector Command, North Sea; 13--Naval Sector Command, Baltic; 14--Fleet Train Vessel Command (being organized); 15--Navy Cadre Unit Duty Station\*; 16--Naval Medical Service Command\*; 17--Ship Acceptance Command\*; 18--Submarine and Diver Physiology Institute of the Navy; \*--subordinated only administratively.

The next organizational change in the Navy came a few years later. The Fleet Base Command was dissolved on 30 September 1965. Its missions were distributed over the Fleet Command and the Central Navy Command which had been renamed the Navy Bureau. The Navy Bureau's activities now extended to all military-technical and central areas of the Navy, unless their processing was reserved to the Federal Defense Ministry. For this purpose, six technical inspectorates were established in the Staff HQ which were also responsible for the administrative management of the particular schools. The subordinate sector of the Navy Bureau furthermore included the Ship Acceptance Command, the Navy Cadre Duty Station, and the Navy Materiel Bureau (Figure 3).

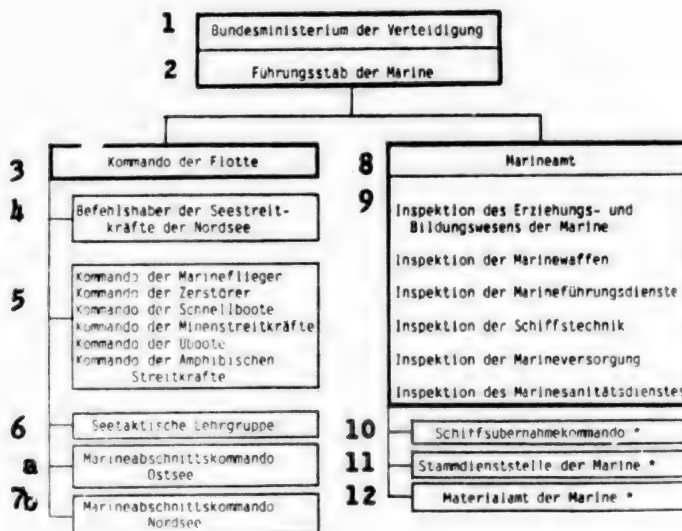


Figure 3. Status as of 1 October 1965. Key: 1--Federal Defense Ministry; 2--Naval Operations Staff; 3--Fleet Command; 4--C.-in-C., Naval Combat Forces, North Sea; 5--Naval Aviation Command, Destroyer Command, PT-Boat Command, Mine Combat Forces Command, Submarine Command,

Amphibious Forces Command; 6--Naval Tactics Training Group; 7a--Navy Sector Command, Baltic; 7b--Navy Sector Command, North Sea; 8--Navy Bureau; 9--Navy Training and Education System Inspectorate, Naval Weapons Inspectorate, Naval Operations Services Inspectorate, Ship Engineering Inspectorate, Navy Supply Inspectorate, Naval Medical Service Inspectorate; 10--Ship Acceptance Command\*; 11--Navy Cadre Duty Station\*; 12--Navy Materiel Bureau\*; \*--subordinated only administratively.

The directors of the technical inspectorates of course did continue to be directly responsible to the Federal Defense Ministry for the particular task area of their inspection activity. The same applied to the Navy surgeon-general as regards his specialized activity.

The Naval Armaments Affairs Inspectorate was established in the Navy Bureau in 1968 as part of the considerations on the improvement of the military equipment pipeline process. The following were placed under it: The Naval Operations Systems Command which in 1967 had emerged from the "command and control" sector of the Navy Bureau, plus three newly-formed new-construction companies, as well as the Navy Unit Experiments Command. The latter had been formed in 1968 from a merger of the Ship Acceptance Command with the various military experimental stations.

From now on, the chief of the Navy Bureau was able to consider, as his most senior service ancestors, equally, the first director of education of the Imperial Navy RAdm the Baron Reibnitz and the first director of the technical sections of the Imperial Admiralty RAdm Henk because, following the Navy Bureau's reorganization, technical responsibility for training and armament questions had been combined in a single command authority.

The intention to replace the past technical organization with a functional organization led to a renewed change in the Navy's command structure. Effective 30 September 1973, the seven technical inspectorates were first of all dissolved in the Navy Bureau and, through reorganization, the following were formed: The training, armament and navy medical service divisions and, as the nucleus of a future command authority, an operations division.

At the same time, the Navy dropped the control function of what until then had been the inspectors. That function was preserved only in the case of the Navy surgeon-general.

On 1 April 1974, the Navy returned to the tripartite division of its higher command authorities. As the third pillar there was created, for current support tasks, the Navy Support Command to which the navy sector commands with the base organization were subordinated a year later from the fleet sector. Only the shore-based communications and radar duty stations remained with the fleet. In the future, the Navy Bureau had to concern itself essentially with the training of individual naval personnel and with tasks looking to the future in the personnel and materiel fields.

The compulsion to retain the framework of existing personnel slots in the renewed organization of course in the sector of the Navy Bureau led to a command structure with a by far overextended control span. The number of units and duty stations directly under the bureau chief cannot be reconciled with generally recognized organizational principles.<sup>3</sup>

As the last step, for the time being, in the course of the redistribution of tasks in the Navy, the Naval Aviation Technical Staff was taken out of the Naval Aviation Division Staff on 31 March 1980 and was distributed, in keeping with its individual tasks, over the Navy Bureau and the Naval Support Command. Since then, the mission and organization of the Navy Bureau have not experienced any further basic changes and correspond to the organizational chart illustrated in Figure 4.

Advances in weapons technology development, higher requirements for the technical skills of individual personnel and the rather tight budget situation--which no longer fully permits the procurement of modern training systems to keep pace with the introduction of new military equipment--however enable us to make sure that the Navy Bureau will not adopt an attitude of complacency. Here again we find correct the remark in the general unit command regulations<sup>4</sup> to the effect that friction and mistakes are everyday phenomena and that the command must always seek and find new ways out.

#### Navy Bureau Today

Although stationed in Wilhelmshaven for the past 22 years, the HQ of the Navy Bureau is still distributed over six different locations in the urban area. In addition, staff members are active mostly in the armament field in Bremen, Bremerhaven, Gluecksburg, Hamburg, Kiel, Koblenz, and Cologne-Wahn as well as in the Netherlands (The Hague), in Norway (Bergen), and in the United States (Washington, Los Angeles).

The Navy Bureau's subordinate sector includes the following:

Eight schools, four of which have locally detached training groups;

Two independent training groups and

Four duty stations with central tasks.

More than 30 percent of the enlisted personnel and more than 20 percent of the Navy's civilian employees belong to the command sector.

#### Naval Training Division

The Naval Training Division drafts the fundamentals and instructions for education, for general-military and military-technical training, as well as for basic and advanced training of individual personnel. One quarter of the entire Navy's personnel strength is constantly undergoing training in schools. During the years in which the armed forces were being built up, the training sector had 15 larger training vessels itself and thus was



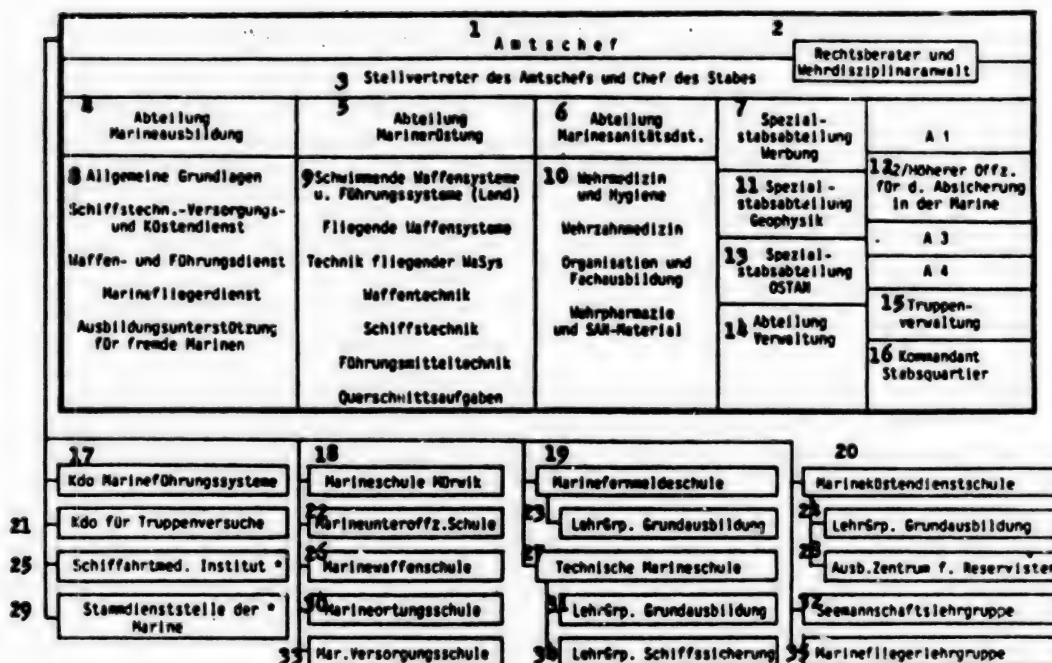


Figure 4. Status as of 1 October 1984. Key: 1--Bureau chief; 2--legal advisor and military disciplinary attorney; 3--bureau chief's deputy and chief of staff; 4--Naval Training Division; 5--Naval Support Division; 6--Naval Medical Service Division; 7--Special Staff Division for Recruitment; 8--General Foundations: Ship Engineering, Supply, and Coastal Service, Weapons and Operations Service, Naval Aviation Service, training support for foreign navies; 9--sea-going weapons systems and command systems (ashore), airborne weapons systems, equipment for airborne weapons systems, weapons engineering, ship engineering, command equipment engineering, across-the-board tasks; 10--military medicine and hygiene, military dental medicine, organization and specialized training, military pharmacy and medical equipment; 11--Special Staff Division for Geophysics; 12--A2/senior officer for Navy security; 13--Special Staff Division OSTAN (T/O & E); 14--Administrative Division; 15--Unit Administration; 16--HQ commandant; 17--Naval Operations [command] Systems Command; 18--Muerwik Navy School; 19--Navy Communications School; 20--Navy Coastal Service School; 21--Unit Experiment Command; 22--Petty Officer School; 23--Basic Training Instruction Group; 24--Basic Training Instruction Group; 25--Shipping Medicine Institute; 26--Navy Weapons School; 27--Technical Navy School; 28--Reservist Training Center; 29--Navy Cadre Duty Station; 30--Navy Radar School; 31--Basic Training Instruction Group; 32--Seamanship Training Group; 33--Navy Supply School; 34--Ship Security Training Group; 35--Naval Aviation Training Group. \*--Subordinated to bureau chief only administratively.

able to establish certain main points in practical training; today, it depends mostly on detached vessels from the fleet sector. Only the Training Vessel "Deutschland," the Training Vessel (Sail) "Gorch Fock," and two diver training boats are available to the Navy Bureau without restriction for practical training. Although advanced simulation equipment does permit realistic and cost-saving training, it nevertheless cannot replace real-life conditions on shipboard.

In view of the decline in the number of volunteers which can be expected during the coming years, it will be necessary in the future to make sure that more effective training methods and equipment and more user-safe systems and equipment will contribute to a reduction in training time so that it will be possible to balance out any personnel shortages. To enhance the attractiveness of duty with the Navy, we will in the future offer more training that can be used in civilian occupations for short-term personnel who decide to stay on board for longer terms of service. So far, more than 20,000 individuals were able, in the Navy, to acquire skills recognized in civilian life in about 45 different occupations, extending all the way to the government-certified technician. This does not include officers who graduate from college or technical school.

Another field of activity which was newly included in the list of tasks of the Naval Training Division is training support for foreign navies. Multinational arms cooperation is no longer conceivable without cooperation in the training area. In addition to handling its daily work volume, the Naval Training Division must thus on a priority basis take care of the solution of coming problems through ever new attractive training offers.

#### Naval Armament Division

The Naval Armament Division is concerned with the development and procurement of military equipment. It cooperates in the drafting of phase decisions on the basis of the general armament decree and represents the military portions of a project in dealing with the Federal Military Equipment and Procurement Bureau and other duty stations in the Federal Armed Forces. In international armament cooperation, it participates in corresponding NATO working groups in the context of instructions issued by the Federal Defense Ministry.

Armament work on weapons systems is controlled by the systems officers of the Naval Operations Staff and the Navy Bureau assists in that effort; on the other hand, the military part of equipment development and procurement is fully the responsibility of the Navy Bureau. The term "equipment" here means all military materiel which is used in several weapons systems on an across-the-board basis or that is not tied to any specific system as an individual piece. The concentration of procurement planning on expensive and big weapons systems however leaves little leeway for equipment procurement. This has been observed in a rather disadvantageous fashion among other things in the training sector because modern simulation systems--which are the prerequisite for realistic and high-level training--can be made available to the schools only on a restricted scale.

As the complexity of armament projects grows, there is also an increase in the requirements for the competence of the individual project staff officers and the need for giving them the proper training or corresponding familiarization at the right time. These are thoughts to which the personnel-management agencies must begin to become accustomed slowly.

#### Naval Medical System Division

Only a physically and mentally fully capable soldier can satisfactorily accomplish the tasks assigned to him. The preservation and restoration of health therefore are of special significance. The Naval Medical Service Division drafts the fundamentals for medical and health service in the Navy. It concerns itself with questions of military medicine, military dental medicine, labor medicine, hygiene, ergonomics, and medical equipment.

The Navy's surgeon-general is responsible for the entire Navy's medical service as the technical superior and has the authority of an inspector in his specialized field. To make sure that the Naval Medical Service will influence training and armament questions and to make cooperation easier in these fields, the Naval Medical Service was integrated into the Navy Bureau.

#### Special Staff Divisions

The Special Staff Division for Recruitment has the mission of planning, guiding, and executing all decentralized recruiting measures, which are within the purview of the Navy, in close cooperation with the personnel-management duty stations. With the help of a mobile exhibit and a special stand at fairs, it informs mostly the people in the interior about the Navy and possibilities of serving in it. Moreover, it conducts unit visits for youngsters and enables the latter to sail on naval vessels. Draftees who have already been inducted are regularly contacted by it as part of an information and advisory effort and are familiarized with career possibilities of extended-service personnel. The present-day labor market situation also means that, in all recruiting measures, the question as to training in the Navy which can be used in a civilian occupation plays a special role.

The Special Staff Division for Geophysics drafts the operational and advisory documentation for the fleet. They contain information for specific weapons about the environmental conditions to be expected during the various seasons in the individual operations areas of the Navy, as well as data on the way in which these environmental conditions affect weapons system employment. Because of their great dependence on environmental conditions, the blocking weapons and radar in surface and underwater vessels constitute the division's main effort. To be able to cope with the vast quantities of data deriving from geophysical measurements, the Geophysics Division relies very heavily on electronic data processing.

The Special Staff Division for OSTAN (Table of Organization, Strength, and Equipment) is concerned with the development of the organizational form and the organization of Navy units. On the basis of predetermined guidelines, it specifies the number of personnel and the materiel and equipment for all organizational elements. In view of the personnel shortage to be expected in the future and the reduced material possibilities, this work assumes special significance.

#### General Staff Divisions

The conventional staff divisions A-1 to A-4, the Administrative Division, as well as the legal advisor on duty and the military discipline attorney advise and support the bureau chief in their areas of responsibility in commanding the subordinate units and duty stations. Here, A-2 in addition also takes care of the task of the Senior Security Officer of the Navy. As part of this function, he must check the uniform application of regulations on military security and security measures in all units and duty stations of the Navy.

The commandant, HQ, and the unit administration take care of smooth administrative processing.

#### Outlook

The essential problems which the Navy will face in the future spring from the reduced peacetime strength of the Federal Armed Forces as a result of declining numbers of births and a defense budget whose allocations cannot keep up with the rate at which armament prices keep rising. Because of its forward-looking assignment, the Navy Bureau is called upon today already to take this hardly avoidable development into account in its work. To make sure that the Navy will be able to accomplish its mission also in the future, it must allow corresponding importance and significance to the care of future concerns and thus also to the work of the Navy Bureau. Rigid concentration on the present, which only assigns lesser significance to the mastery of the problems of the future, makes work today easier but will not enable us to cope with tomorrow.

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## SOVIET MILITARY HISTORY OF CONTINUATION WAR PUBLISHED

Helsinki UUSI SUOMI in Finnish 14 Oct 84 pp 28-29

[Article: "New Soviet View of War or What Happened on Other Side of Front"]

[Text] UUSI SUOMI's Moscow correspondent Jukka Luoma acquaints our readers with an unusual book, which was recently published in Moscow: a 358-page history of the Karelian front during the years 1941--45 well illustrated with pictures and maps.

In this same connection Lieutenant Colonel Sampo Ahto explains what this extensive work offers that is new for Finnish war historians.

For the first time a history of the continuation war on the Karelian front and of the war in Lapland has now been published in the Soviet Union and as such represents the most recent and extensive Soviet view of how Finland and the Soviet Union entered into a new war.

The northern front was divided into the Karelian and Leningrad fronts on 23 August 1941, and, therefore, the historical account concentrates on the events in the area of Lake Ladoga and the Arctic Circle front.

The Finnish continuation war is examined as a very essential part of the German attack on the Soviet Union even though a few indirect glimpses lead one to understand that the Finnish leadership for one reason or another did not fight with the energy the Germans would have wanted for blockading Leningrad.

The tough defense of the Army and the people is praised in the manner of any Soviet war history. The partisan activity on the Karelian front is extensively portrayed, presumably in part for the reason that during the compiling of the study Yuriy Andropov, who was the organizer of underground party work in Soviet Karelia, was the leader of the CPSU and the Soviet Government.

The history of the Karelian front is published by the Soviet Academy of Sciences and the military history section of the Soviet Defense Ministry. The editorial staff was directed by Major General A. I. Babin, who holds a doctorate in history. The source material is primarily comprised of Soviet archive materials, and there are no indications that more recent Finnish research was used.



In explaining the outbreak of the continuation war and the Finnish attack phase no views at all are borrowed from Finnish literature. The only Finnish books cited in the whole work were the 1949 Swedish-language edition of Kuusi-saari--Niitemaa's work "Suomen sota 1941--45" [Finland's War 1941--45] and the Russian-language collection of Urho Kekkonen's speeches, "Finlandiya i Sovetskii Soyuz" [Finland and the Soviet Union] (Moscow 1975) published later to emphasize the significance of the armistice.

### Strategic Lines

The Karelian front was important for the Soviet Union above all as a defense of the Leningrad and Murmansk railroad. Naturally, these strategic premises are also subjects treated in this study. The history entitled "Karelskiy Front V Velikoy Otechestvennoy Voiny 1941--45 GG" [The Karelian Front in the Great Patriotic War in the Years 1941--45] supplements Soviet military history with respect to an area that has previously been given less attention now that preparations are being made to celebrate the 40th anniversary of the victory of the "Great Patriotic War" in the spring of 1985.

The conclusion of this historical account is that Finland entered the war in reality as a German ally. This foreign policy conclusion can be further quoted here. Following is a free translation from the Russian.

"Fascist Germany sacrificed great efforts to pull Finland into the war against the Soviet Union. The rapprochement of Germany and Finland took place primarily along economic lines without an open political alliance when Finland accepted the obligation in the peace treaty concluded in Moscow in March 1940 to remain outside of any military campaigns directed against the Soviet Union and to refrain from using force against the Soviet Union.

"The first official visit of General A. E. Heinrichs, chief of Finnish General Staff, to the headquarters of the highest leadership of the German Army in Zossen (near Berlin) took place in December 1940. During this and subsequent mutual visits the military delegations prepared the plan for German and Finnish cooperation in a war against the Soviet Union. Final agreement was reached on 25--28 May 1941 at a meeting in Salzburg, at which the German war leadership was represented by War Marshal W. Keitel and Colonel General A. Jodl and the Finnish side was represented by Lieutenant General A. E. Heinrichs and Colonel K. A. Topola. A full agreement was reached on 2 June 1941 in Helsinki on the deployment and number of German and Finnish troops and on the commencement date of military actions, and the Oulu River was also determined as the border between the armies.

"Thus, in practice, Finland became an ally of Fascist Germany in the attack against the Soviet Union."

This history of the Karelian front does not deal with the winter war other than the surrender of territory and the strategic benefits brought about by it. It is said that the Soviet Army learned from the experiences of the winter war prior to the German attack. The winter war is called a "war" and not a "conflict", which has been cultivated in polemic Soviet writing.

According to the history, the main forces of the Finnish Army were intended for actions in the direction of Petroskoy and Leningrad, and they were grouped in Southeast Finland.

#### Shortage of Men and Supplies

According to the history, the Soviet Army was rather poorly equipped for war and the shortage of troop strength was a severe detriment. "The lack of substantial army reserves was one of the weak points of our defense. It did not permit the military leadership to have an active influence on the course of combat actions in any direction. Moreover, the enemy had a live and fire power superiority more than double that of our own."

Therefore, the Soviet Army was not able to accomplish its mission in the direction of Karelia, "which was to defend the national border against Finland and to keep the enemy from penetrating into national territory".

The defense plans for the new border were incomplete according to the history even though the military leadership had studied the defense of the Karelian Isthmus and the Kuola [Kol'skiy] Peninsula on field trips in 1940 and in the beginning of 1941. The history confirms the known fact that Finland had built "reinforcements" near the border and had formed "more new divisions".

"Because of the great length of the Soviet and Finnish border and the shortage of forces, the Soviet leadership was forced to organize its defense on rather wide sectors. The operational grouping and the combat arrangement of the Army was basically staggered along one line. Due to defense, troops were tied to a stationary location devoid of necessary man power and equipment and without substantial reserves. The width of the defense sectors and the paucity of roads severely complicated troop leadership, rear formations, and troop maintenance and supply," explains the history.

The Soviet study has the following to say about the commencement of the main Finnish assault: "In the area of Petroskoy and Aunus the Finnish Karelian Army units initially waged separate battles for the purpose of improving reconnaissance and points of departure. Seeking the shortest route to the western shore of Lake Ladoga" on 2 July the enemy initiated one assault, which was repelled. On the morning of 7 July another attempt was made and it was also repelled. "Not having achieved success, the Finnish military leadership deployed the primary divisions of the Karelian Army. The enemy once again launched an attack on 10 July after a forceful and long preparatory barrage of aircraft and artillery."

The defeats of the Finns in the primary attack are depicted as "overwhelming". However, it is confirmed that the assault advanced to the Janis River by 15 July.

#### "German Defeat Had Moderating Effect"

The Soviet history does not clearly say what the intentions of the Finns were in the vicinity of Leningrad. It is said that the Karelian Army attempted

attempted a blockade together with the Germans from the east side of Ladoga, but the total picture is not given. The general impression is one of actions together with Germany against Leningrad.

It is said that the fear of a German defeat restrained the Finns in general. "As a result of the heroic actions of the divisions and units of the Seventh Army, the enemy attack into Karelia was halted in the middle of August. The Fascist-German and Finnish units, which suffered great defeats, were forced to halt their assault in the direction of Petroskoy and Aunus. Then, in July-August 1941 the foundation was laid for crushing the northern attack strategy of the Wehrmacht from the right flank of the Soviet and German front. The 'Norwegian' leadership of the Army did not lose its hopes of renewing an attack any more than did the Mannerheim clique, but they predicated their intentions on the results of the attack of Fascist German troops against Leningrad and in the direction of Moscow where decisive battles were being waged at the same time."

#### The Invasion of Aunus

"On 4 September 1941 the Karelian Army began a general assault in the direction of Petroskoy and Aunis. Its Sixth Army Corps directed the primary strike against Aunus and Lotinapelto. The assault by Finnish troops was supported by large detachments of dive bombers, which bombed and fired upon Soviet troops without interruption."

With their superiority the Finns captured Aunus on 5 September and "they succeeded in crossing the Syvari and taking possession of a small base (Platsdarm) from its southern flank. The Seventh Army did not have the power to repel the new advance of Finnish troops to the south. The headquarters of the highest command, therefore, separated the 314th Rifle Division on the south shore of the Syvari, which participated in the defense along with other divisions, from the reservists.

"Troops on the Leningrad front did not only inflict serious defeats by active measures, but also stopped its further advancement. Therefore, the Fascist German leadership was forced to send the Finnish command a request 'to exert as much pressure as possible on Soviet troops in the vicinity of the Syvari so that the situation of the army corps waging a fierce battle on the south side of Ladoga would be alleviated'.

"The troops of Petroskoy's operational group and the civilian population tenaciously defended the capital city of Karelia. At the end of September the Finns sent an additional two infantry divisions and several tank brigades from the reserves into the battle there. On 30 September they crushed our defense and launched an assault toward Petroskoy. Because of the threat to the city and the danger of a blockade, the leadership decided to leave Petroskoy and went to the north shore of the Suojärvi River."

In a summary of the assault phase of the continuation war the history of the Karelian front says: "In Karelia Finnish troops did not succeed in crippling the operations on the northern section of the Kirov Railroad. Communications

from the rear areas of the Arctic Circle and from the northern and eastern areas of the Karelian-Finnish Soviet Republic to the nation's central sections and Moscow were not cut off. The advance of enemy forces further in the direction of White Sea and to the south was halted. In November-December 1941 the attack of the Karelian Army was completely turned back".

A full 50 pages of the book, in which there are 300 pages of actual text, are devoted to the background of the war, conditions on the front, and a description of the assault phase. The history of the front extensively depicts the events of the years of the frontline war, the work in the rear, and the partisan movement, which includes the underground work of the party.

Finnish occupation rule is described as harsh. "In Karelia as well as in other occupied areas the conquerors implemented a mass eradication of the Soviet people.

The history reiterates the figures and achievements of the partisan movement, which are different than those obtained in Finnish studies. Indeed, the text mentions a partisan movement staff as the source of partisan victories. "During that time (38 months) the partisans of the Karelian front initiated more than 1,000 military actions. They killed more than 15,000 enemy soldiers and officers, destroyed 52 garrisons, organized 31 blockades, destroyed approximately 150 bridges, more than 10,500 kilometers of railroad..." the results including actions against Finns as well as Germans.

#### Names from the Front

The name mentioned most often from the Karelian front is Andropov, who was the first "secretary" of Komsomol [Leninist Communist Youth League]. It is noted that Andropov organized the underground work of the party in occupied areas, but he is not directly connected with partisan activities.

Marshal Nikolay Ogarkov, who was suddenly transferred from his post as Chief of the Soviet General Staff in September, served as an engineering officer on the Karelian front according to the history. Other individuals from the front who have risen to high positions are Marshal and First Deputy Defense Minister Sergey Sokolov and Air Force Commander-in-Chief Pavel Kutakhov.

The history has the following to say about armistice on the Karelian front: "The formidable strikes by Soviet troops on the Karelian Isthmus and in Southern Karelia aggravated the domestic policy situation in Finland. The morale of the Finnish troops declined day by day and defections from the military became massive. An anti-war atmosphere began to develop in Finland. All this forced President Risto Ryti to retire on 1 August. He was replaced by Mannerheim. The newly formed government turned to the Soviet Union on 25 August and proposed the commencement of negotiations on either a truce or the conclusion of peace.

## Deficiencies, But Also Valuable Pieces of Information

The other leg of our most recent military history is severely lame. Even though books by the shelves full have been written about our last war, we still do not have any reasonable acquaintance with what happened on the Soviet side of the frontline.

The basic reason for this lack of knowledge is that Soviet archives are closed to outside researchers. Another reason is that the historical writing of the Soviet Union's own researchers primarily serves the political needs of any particular moment. Thus, it is not able to meet the needs of the desire for knowledge in Western countries.

This argument applies even to this most recent study of the events of our own front during the years 1941--45 from the Soviet point of view. The discerning reader can, indeed, find crumbs of valuable knowledge from the book, but the overall impression is not good.

Thus, the political objective is apparent at first glance. If the work had been written a little later, it would undoubtedly not contain two pictures of Andropov and one picture of Marshal Ogarkov and mention of these individuals in the text would have perhaps not been as extensive.

The information presented on the opponent continues to be almost at the same level that it was in the propaganda of the last war. The inordinate exaggeration of Finnish forces is brought up from, among other things, the "information" that we supposedly had several tank brigades in Eastern Karelia in the fall of 1941. The fact is that there was not one single such brigade in all of the Finnish Army.

The information regarding the defeats inflicted on the enemy is at the same level. The argument that 15,000 Finnish and German soldiers were killed by the partisans is an exaggeration many times over, and there is no validity to the information of the destruction of 52 garrisons except for a few smoking ruins in a wilderness village.

The unreliability of the work is confirmed by the apparent carelessness with which the dates and corresponding data were compiled. As an example of this one can mention the depiction of the development of Finnish and German relations before the outbreak of the continuation war. Without even touching the interpretation of the events it can be stated that there would be room for revision in nearly all of the so-called facts.

In spite of its deficiencies, the new Soviet study is not without benefit even from the Finnish point of view. It does not, however, shed any light on the general situation: Our information is still seriously deficient, and the documents compiled from our wartime reconnaissance, though naturally deficient, continue to be the best sources of our knowledge.



("Karelskiy front v Velikoy Otechestvennoy Voiny 1941--45 gg" [The Karelian Front in the Great Patriotic War in the Years 1941--45], Nauka Publishing House, Moscow, 1984. 48 pages with pictures, 358 pages. Maps and lists of individuals awarded military honors.)

10576

CSO: 8117/0514

## BRIEFS

WEAPONS BOUGHT FROM USSR--The armed forces are buying special equipment for 123.7 million marks from the Soviet Union. The money was included in the supplementary budget which was presented on Friday. No details of the purchase were released, but the intention is to purchase special material for the air force and also material for the army, according to the Ministry of Defense. [Text] [Helsinki HUFVUDSTADSBLADET in Swedish 17 Nov 84 p 9] 9287

NAVY GETS NEW CRAFT--In order to support the shipyard industry the government Finance Committee has recommended a number of procurements for the navy. Included are two mine lighters, two harbor tugs, four light communications boats, one boat of the Uisko-type and eight of the Meriuisko-type. [Text] [Helsinki HUFVUDSTADSBLADET in Swedish 17 Nov 84 p 9] 9287

CSO: 3650/89

## PLANS FOR ARMY ORGANIZATION, PROCUREMENT NOTED

Bonn WEHRTECHNIK in German Dec 84 pp 52-58

[Interview with Maj Gen van den Bergh, chief of military procurement; Brig Gen Van Erp Taalman Kip, chief of technical department of military procurement administration and Lt Col graduate engineer J. W. van Bommel, deputy army attache and weapons technology attache at the Netherlands embassy in Bonn by Erhard Heckmann, a member of the WEHRTECHNIK editorial staff; at Bonn, date not given: "Equipment for the Dutch Army"]

[Text] Following the rather detailed WEHRTECHNIK analysis in our August 1984 issue on the 1984 Netherlands Defense White Book, we conducted an interview dealing with Dutch military procurement and defense planning with Maj Gen van den Bergh, the head of military procurement; Brig Gen Van Erp Taalman Kip, the head of the technical department of the military procurement administration and Lt Col [graduate engineer] J. W. van Bommel, the deputy army attache and weapons technology attache at the embassy of the Netherlands in Bonn on the occasion of a visit to Bonn. In contrast to German usage, the head of Dutch military procurement combines the functions of a military service, our ministry of defense, our military procurement office and our Material Command. He is responsible for equipment and weapons systems planning and is in charge of projects up to and including the user phase. The head of military procurement is an official of the ministry, but is detailed to his job by his branch of service and is a member of the Military Council.

[Question] There are plans to reorganize Dutch antiaircraft units into battalions. What is the reasoning behind this—particularly in view of the fact that this will reduce the number of battalions to three while increasing the number of brigades ?

[Van den Bergh] The number of brigades will not change. We now have nine antiaircraft companies. By turning these nine companies into three battalions, we have a better chance for massed concentration. Under this arrangement, a corps is now able to draw on a whole battalion for concentrated action. For another thing, we can achieve some **savings**—especially in terms of maintenance—by pulling these units together. As you know, our funds are limited. That is why we made the decision to retain our combat units and to cut expenditures for combat support units such as air defense and artillery. But we hope that this reorganization will enable us to concentrate our forces and to **improve** on maintenance.

[Question] Does this mean that the three battalions are attached directly to the corps? Doesn't that require a whole new command structure for the battalion so as to make coordinated operations possible?

[Van den Bergh] The corps assigns parts of the battalions to the brigades.

[Taalman Kip] We are in the process of laying the groundwork for an integrated warning and combat operations system; but it will still be some time before that happens. But during the first stage we are concerned with improvements of the system which is being introduced along with the "Stinger" technology. During the second half of the planning cycle we will actually have an integrated system at the corps level. In other words, we are talking about a rather lengthy time frame.

[Question] This conduct of operations system is solely related to air defense. Originally, the "Stinger" technology was to be introduced in the naval infantry units. Is this a mobile system, as developed by HSA?

[Van den Bergh] I am sure you have seen the "Reporter" mobile radar system. We have not gotten that far as yet. It is quite possible that a system such as the "Reporter" might be a part of this system. No decision has yet been made on that. But theoretically the "Reporter" would fit in quite well.

[Question] But there are changes being made in the ground forces as well. Once you get the "Leo IIs" you will put your battle tank requirements on hold—leaving the night vision equipment for the "Leo Is" aside for the moment.

[Van den Bergh] Yes, but we have already done everything we wanted to do. For a small country like the Netherlands more than 900 tanks is quite a lot. In about 2 years when we get the "Leo IIs," the "Leo Is" will also have been upgraded.

[Question] The White Book speaks of the great value being attached to the infantry. What exactly does that mean? Does that refer to the rear areas, the reserves and replacement units?

[Van den Bergh] Almost all our infantry units at the corps level are mechanized. The White Book reference is to the Dutch territorial area. At the corps level there are two infantry battalions that can be mobilized—especially for operations in wooded areas and cities. One of the reasons for reorganizing the infantry and reconnaissance units was to achieve the desired enhancement of security in the rear areas.

[Question] Are you considering a possible reboring of the "Leopard I"?

[Van den Bergh] We do not know whether it would make sense from a technical point of view—leaving the money aspect entirely aside. The M-1 turret in the United States had to be modified quite a lot to accommodate the 120-mm barrel. Under the circumstances, it is a pretty safe assumption that the Americans will not alter the first batch of M-1s either. It would be an even bigger problem with regard to the "Leo Is". The current 105-mm arrow projectiles will meet the threat up to the year 2000.

[Question] One favorite topic of the Dutch defense industry is night vision. How far do you intend to go? Will you just equip the vehicles or will you go all the way down to the infantry squads?

[Van den Bergh] We are planning to provide thermal imagers to the "Leo I," the "Leo II," the armored infantry units with their armored YPR-765's and the artillery spotters. In addition, there will be image intensifier equipment. For fiscal reasons, only part of the armored infantry units will be getting the thermal imagers; the rest will get the image intensifiers.

[Question] Attack helicopters are probably a long-range goal. Your ground forces have the "Alouette III" and the "BO-105." You have no medium-sized cargo helicopters. Where do you intend to start?

[Van den Bergh] We want to start by upgrading the "BO-105s" and by the end of the eighties we intend to replace the "Alouette IIIs." To upgrade the "BO-105s," we will be giving them improved navigation equipment and probably a fire control computer. The definition stage should be concluded by the end of this year. As of now, we cannot say very much about it. The funds will have to be appropriated for it next year. The purpose is to be able not only to fly a reconnaissance helicopter in bad weather but to be able to use it operationally as well.

[Question] What is your position on antitank helicopters?



[Van den Bergh] The various options are being looked into by our defense ministry. One possible option is to participate in the Franco-German PAF program. Our state secretary has talked about that with his counterpart, Timmermann.

[Question] What do you do about surplus material? Do you sell it to Austria, like the "Centurion"?

[Van den Bergh] We draw a distinction between two types of equipment we no longer need. On the one hand, there is the civilian type of material which in your case is handled by VEBEG and then there is the actual military equipment. In the latter case, our ministry makes the decision. When we sold the "Centurions" to Austria we also had to get the Americans to approve because they had been purchased with American funds. We now have the approval from the Americans.

[Question] You have plans to introduce MLRS by 1991; but you are not represented in the European reproduction consortium. What are you going to do: join it or make a direct purchase?

[Taalman Kip] In 1983, we inquired about joining the consortium. A few weeks ago, we got word that that would not be possible. But we have not yet given up hope, although we did voice our disappointment.

[Question] You are requesting the MLRS for your ground forces and under the circumstances, you may have to negotiate with the Americans directly.

[Taalman Kip] We need an MLRS battalion. The military need for it exists. It is hard to say whether a way can still be found for Dutch industry to participate.

[Question] Are any Dutch firms represented in the consortium in the competition for terminally guided ammunition?

[Taalman Kip] Not up to now.

[Question] What is the status of Dutch ammunition supply? That is a constant bone of contention—also as far as Gen Rogers is concerned with regard to the allies.

[Taalman Kip] We have been told to reach our authorized artillery ammunition levels by 1987—and so in 1983 and again in 1984 we concentrated on stockpiling ammunition.

[Question] There has also been talk about upgrading your artillery units. What are you doing with the M-109 self-propelled howitzer?

[Van den Bergh] The current mechanized artillery program is pretty much complete.

[Taalman Kip] Over the next few years, we will be getting into the so-called HEMP program—which is another of the American combat effectiveness upgrading programs for the M-109 for the late eighties. But our biggest program is to provide the 155-mm rifled tube artillery units with the longer barrels. For the time being that is the biggest program we have going in the artillery field—and along with it we are also introducing new types of ammunition.

[Question] Are you also doing something about improving the command capability of the armored artillery units ?

[Van den Bergh] In this field we are going to introduce the VERDAC program which replaces VADAC and later we are going to get into VUIST which is an integrated artillery fire control system.

[Question] Are you also going to go into mechanical minelaying devices for the engineers ?

[Van den Bergh] We already have a small number of them—for the French mines of the TRT predecessor generation complete with mechanical minelaying equipment. Now we are going into the procurement of a heavy antitank mine IEPG program. But the political decision on that is still outstanding.

[Question] Let us talk about mineclearing: are you considering mechanical mineclearing equipment, too ?

[Taalman Kip] So far we do not have any mechanical mineclearing equipment. We have had some equipment of this type shown to us here; but in our planning we have not yet reached a decision on this.

[Van den Bergh] The mine issue is important to us because we have a need for rapid minelaying at short distances as well as for expendable mines in artillery rockets and 155-mm guns. As far as the fulfillment of these requests is concerned, we are about halfway through the planning stage on them.

[Question] Are you going to be faced with a personnel shortage in the nineties as we will when the baby boom fizzles out ? According to the White Book the number of draftees in the Netherlands is even going to rise in the nineties. How do you explain that ?

[Van den Bergh] Yes, there will be more draftees then. In the technical fields the number of long-term servicemen will increase. There will be enough personnel--pill or no pill.

[Question] Are there any problems with women in the armed forces in your country ?

[Van den Bergh] There is no draft for women. A proposal to grant women the right to conscription was debated and then rejected. Nonetheless, women can join the armed forces now without any restrictions.

[Question] Is communications one of the weak spots in your armed forces ?

[Van den Bergh] I think the ZODIAC system puts us ahead of everyone else; but the system has not yet been fully deployed.

[Question] Who in the Dutch defense establishment is responsible for operational research ?

[Taalman Kip] The ground forces do not conduct any research of their own; but they lend support and guidance. The studies themselves are conducted by our civilian research institutes--the RDC/TNO which is more or less comparable to your IABG. The army does not conduct any studies of its own.

[Question] What are the main topics you are discussing with the German defense ministry ? And what are you offering us in the way of Dutch industry products ?

[Van den Bergh] We have a memorandum of understanding with England and with France; with the FRG, we only have a letter of intent.

[Question] You would like to have a general type of agreement, is that it ?

[Van den Bergh] Yes, but we would like to have a firm framework. At the same time, we do not merely want to collaborate on the battle tank of the nineties but would like to see a division of labor where we are told 'you will do such-and-such' but for the entire program and 'we will do such-and-such' and also for the entire program--namely in all those instances where it is useful for both parties and where it makes sense. Other topics we would want to discuss would be mines, helicopters, etc. But we would also like to collaborate on research and development. In other words, we would like to get into long-term collaboration.

[Taalman Kip] With regard to the battle tank 90 we originally said we wanted to get into it right from the definition stage. Now we have come to the conclusion that we should be a part of the process from the con-

ceptual phase because otherwise our industry gets left behind. We believe, for example, it would be a good idea if Philips, for instance, were the main contractor working on the thermal image of the battle tank 90. Then there are a number of different projects which might arouse some interest here. We have drawn up a kind of shopping list which includes such items as the "Reporter" system; "Goalkeeper," a motor boat for collapsible floating bridges—which is a new product developed by Damen/Shipyard, a Dutch firm. Our navy supplied the design for that. Some other items on our list include third-generation image intensifier tubes; night telescopes; vehicle superstructures (shelters) for workshops; cryptoequipment; the FM-8600 radio set; "Flycatcher" and test cabins for jet engines. That is a kind of shopping list of various types of equipment and of systems which are either available now or will be available within the next 2 years. But what we are really looking for is to work for longer-range collaboration and to start collaboration at an earlier stage of development.

[Question] Don't most international programs originate with the IEPG ? Why then are bilateral agreements or memoranda of understanding needed ?

[Van den Bergh] That is correct. There are many programs which originate with the IEPG; but they frequently start out as bilateral arrangements.

9478  
CSO: 3620/173

## ADDITIONAL DETAILS ON AIR FORCE, AIRLINES PILOT RECRUITING

Stockholm DAGENS NYHETER in Swedish 15 Dec 84 p 10

[Article by Kerstin Hellbom: "End of Pilot Departures"]

[Text] Civilian airline companies must stop recruiting pilots from the air force. Next year the airlines need to employ 100 pilots, and at the most they will be able to take 25 from the air force.

That is one of the results following Friday's negotiations between the Defense Ministry and the private airlines. But what power Defense Minister Anders Thunborg is going to use to enforce his demands is somewhat unclear. First ombudsman Jan Lord of the Swedish Officers Association said that Anders Thunborg touched upon the possibility of using compulsion to get the pilots to remain in the air force, which was denied by the Defense Staff.

The departure of pilots from the air force to the airlines has been a big problem for many years.

A pilot in the air force earns about 9,000 kronor per month, a pilot in the airlines about 20,000 kronor. At 60 years of age the civilian pilots get 36,500 kronor per month in pay. The great majority are trained by the air force, training which cost the taxpayers about 10 million kronor.

"The departures must stop, we have now reached the limit for the national security," said information secretary Eriksson at the Defense Ministry.

But the airlines have wage scales which the air force can not compete with. In October of this year 50 of the air force's over 300 pilots received a pay increase of 1,800 kronor per months. At yesterday's negotiations Anders Thunborg said that "it should be possible for more pilots to get pay increases.

At Friday's meeting in the Defense Ministry, SAS, Linjeflyg and Swedair agreed with the commander of the air force that the problem will first be solved by voluntary agreement between the air force and the airlines.



Furthermore it was decided that the pilots who fly Viggen and Draken and who go to the airlines during 1985 and 1986 will rotate their service between airliners and combat aircraft. It is not clear exactly what this will look like, but one suggestion is that during a 3-year period the pilots will have a duty to serve about 18 months in the air force.

But it is not clear following Friday's negotiations whether Anders Thunborg is considering using compulsion to carry out the recommendation and thereby stop the departures from the air force.

Negotiations continue, and a unified solution will be presented at the end of January 1985.

9287

CSO: 3650/92

## NEW UNIT COMBAT COMMUNICATIONS DEVICE ENTERING SERVICE

Stockholm DAGENS NYHETER in Swedish 20 Dec 84 p 19

[Article: "Calculator Helps Military to Make Itself Heard"]

[Text] Soon shouting officers will be a mere memory--  
at least in the heat of battle.

For a long time it has been a problem for platoon commanders and others to make themselves heard over the noise of battle. Now POK-calculator is coming to revolutionize the giving of orders on the battlefield.

FOA [National Defense Research Institute] together with the army developed the idea into a new system for giving orders between small military units within a platoon, for example.

POK stands for presentation and transmission of short orders, and it is an apparatus which can send orders via radio waves to receivers about like a larger pocket calculator.

It is becoming all the more difficult for a platoon commander to maintain contact with the soldiers as the tactics of modern armies are based on spreading out the manpower. If he later can not make himself heard over the battle, or for camouflage reasons it is necessary to remain silent, the POK-calculator is perhaps the answer.

The commander pushes a button and then a word like "forward", "this way" or "shoot" lights up on the receiving calculators.

The three orders mentioned are the most commonly used, according to FOA after an analysis of orders in combat situations. They are therefore self-explanatory in a preprogrammed order-calculator.

9287

CSO: 3650/92

## 'UNSPOKEN' POLITICAL WILL PERCEIVED TO DEVELOP MISSILES

Stockholm SVENSKA DAGBLADET in Swedish 26 Nov 84 p 8

[Article by Erik Liden]

[Text] Both the government and the opposition have expressed a political will to invest in Swedish development and production of military missiles. They demand, however, that the industry complete present projects within the agreed economic framework, which is doubtful.

In anticipation of commander in chief Lennart Ljung's report on future missile needs, due in early 1985, Defense Minister Anders Thunborg has stated that the industry is not living up to its present contracts.

Bofors, in particular, is having difficulties. When Robot 70, the army's surface-to-air missile, was developed, cost overruns reached 200 percent. This influenced the number of missiles purchased.

## New Features

At present, Bofors is developing a new antitank missile for the army, with totally new performance features. Bill, as the missile is called, is fired so that the missile passes over an enemy tank. As it passes over the tank, an explosive charge is fired at a 30-degree angle downward, striking the top of the tank, which is much thinner than the front of the tank.

The technical problems encountered during development have been considerable and the 125 million kronor invested by the military has fallen far short.

"We must determine the total cost before series production begins, said Col Dag Tornblom, head of the systems division of the Defense Materiel Command (FMV). "Whether or not this missile will be the addition to the army's brigades we have hoped for is an economic question. If we cannot purchase them at a reasonable price, then the entire Bill issue must be reexamined and other missiles studied.

FMV will not reveal today what cost increases have affected the Bill project, but they are significant. The Bofors management refused to comment on the FMV criticism.

### Too Expensive

By 1994, the army will have invested 1.3 billion kronor in new antitank missiles. An extremely small portion of this will be used to purchase new TOW 2 missiles from the United States. If the original number of Bill missiles is purchased from Bofors beginning in 1986 and 1987, it will cost over 2 billion kronor. Neither the defense minister nor the commander in chief is prepared to approve this sum.

### Foreign Competition

With a political decision concerning the Swedish missile program yet to be made, cost overruns in development of the Bill missile are disturbing. Competition from abroad, with much longer production runs, is still an important alternative. Bofors and FMV have already ordered simulators for Robot 70 from Marconi of Great Britain. The coastal artillery is purchasing fire-control equipment abroad.

Anders Thunborg personally visited the Pentagon recently to keep open the possibility of purchasing the Amraam missile, a radar-controlled missile produced by Hughes of California, for the JAS 39 Gripen, if the Swedish industry is unable to produce an air-to-air missile for the Gripen. The Pentagon has agreed to release data on the missile, such as its range, placement under the aircraft, guidance system, and explosive force.

Bofors has the fate of the Bill missile in its hands. If Bill can be sold abroad, thereby reducing the price in Sweden, then and only then will the Swedish missile industry have a bright future.

9336

CSO: 3650/84

## FORCES TO PURCHASE TOW 2 ANTIARMOR MISSILES

Stockholm SVENSKA DAGBLADET in Swedish 9 Nov 84 p 12

[Article by Erik Liden]

[Text] After criticizing the performance of the TOW antiarmor missile, Sweden has received the permission of the United States government to purchase the latest version of the missile, the TOW 2.

An order worth just over 50 million kronor has been sent to the United States. At the same time, commander in chief Lennart Ljung has canceled exercises for 9,000 reserve soldiers scheduled for April through June 1985 for economic reasons.

Two years ago when the army purchased a large number of TOW missiles for just over 500 million kronor, the performance of the missile was a much-discussed topic. Armor experts and researchers at the Defense Research Institute (FOA) indicated that only modern TOW missiles could penetrate the armor plating, for example, of modern Soviet tanks such as the T 72 and the T 80.

In 1981 and 1982 Sweden was permitted to purchase only the I-TOW, a further development of the original TOW 1. The TOW 1 could penetrate a maximum of 60 cm of conventional armor, while the I-TOW can penetrate 80 to 90 cm and the TOW 2 up to 120 cm, in the most favorable cases.

Swedish test firings showed that modern, so-called active armor and composite armors, i.e. armor plate containing small explosive charges and armor that is reinforced with glass and plastic, quickly reduced the penetrating capacity by more than 50 percent.

Armored troops demonstrated that subcaliber ammunition, for example for a tank, was influenced only slightly by modern armor: penetration was reduced by 10 percent, at most.

The Swedish military has now received permission from the Swedish government to use its balance of 40 million kronor in the United States from the previous TOW purchase, along with an additional 10 million kronor, to purchase 500 more TOW missiles that are capable of penetrating 40 to 50 cm of active armor.



## ARMED FORCES STUDYING PURCHASING FRG'S LEOPARD 2 TANK

Stockholm SVENSKA DAGBLADET in Swedish 26 Nov 84 p 8

[Article by Erik Liden]

[Text] For just over 15 million kronor, the Swedish military can purchase what is perhaps the world's most modern tank, the Leopard 2, which is produced in Munich, West Germany. A decision on which tank will be purchased is expected before 1990.

The prices previously used by the Defense Materiel Command (FMV) are based on costs for production under license in Sweden. Switzerland, which recently ordered 420 Leopard 2 tanks, will pay 30 million kronor for tanks produced under license, but could have purchased the tanks directly for 15 million kronor.

The licensing price includes just over 300 million kronor to compensate for development costs incurred by the primary manufacturer, Krauss-Maffei. A Swedish delegation will visit this company within several days to discuss future Swedish tank needs.

## Retiree Consultant

The delegation will include the now retired designer of the S-tank, Sven Berge, who has been hired as a consultant by the Defense Materiel Command, even though the Civil Administration of the Armed Forces and FMV's own accountants have determined that former employees should not be involved directly in decisions concerning the future.

This is especially true in cases such as that of Berge, which involve a company with its own patents that were obtained during previous government employment. Immediately following retirement, Berge formed his own company, Swedarmour, which sells tank and armored vehicle know-how abroad.

When FMV turns to Berge as a consultant, he is only to evaluate the Leopard 2, with no ulterior motives of using his technical expertise in any future Swedish production, FMV stressed.

## Development Problems

New tank studies are being conducted because of American and Swedish development problems with final-phase controlled ammunition for mortars and artillery pieces. The mortar shells are to be equipped with homing devices and are to be made armor piercing, an idea that former army chief Carl Eric Almgren abandoned during the 1970's when Sweden, under Maj Gen Harald Jentzen, constructed the P-shell which, even in 1970, was more effective than the mortar shells the army now wants to purchase from the United States.

A large number of shells were scattered in the vicinity of an enemy tank and penetrated its armored protection.

The homing devices now being tested can reach targets only within a diameter of 80 meters. If a shell travels for 30 to 50 seconds, a modern tank will have time to move 400 to 800 m, even in difficult terrain.

A large number of extremely expensive shells must be fired over a large area in order to guarantee a hit. This problem is similar to that of the small Elma depth charge. It would cost 1 million kronor to guarantee a hit on an unknown submarine.

## 3 Billion Set Aside

The commander in chief has set aside almost 3 billion kronor for this complex new ammunition, to be spent by 1992. Now the army staff is seriously discussing the possibility of investing more in tank ammunition in order to compensate for the problems that have been encountered in connection with the missiles and ammunition.

Even the new Bill antitank missile that has been developed by Bofors will be more expensive than anticipated and will be delayed. Development costs are now estimated at 1.5 billion kronor. Unless the Bill can be exported, it will be too expensive for the army. In January 1985 the entire missile situation will be examined by Defense Minister Anders Thunborg, following several studies by FMV and by the commander in chief.

9336

CSO: 3650/84

## AIR FORCE, AIRLINES AGREE ON GUIDELINES TO HALT PILOT DRAIN

Stockholm SVENSKA DAGBLADET in Swedish 1 Dec 84 p 6

[Article by Erik Liden]

[Text] SAS, Linjeflyg, and Swedair have accepted a plan whereby they would hire pilots between 33 and 40 years of age, help train 30 pilots per year at the airline pilots training school in Ljungbyhed, and avoid recruiting air force officers as much as possible.

This is the result of negotiations between Communication Minister Curt Bostrom and Defense Minister Anders Thunborg, on one side, and representatives of the three largest Swedish airlines, on the other.

Despite opposition from air force chief Sven-Olof Olson, the defense minister is also considering some form of contract for officers that are hired to fly air force planes. This could mean that pilots trained to fly the Viggen and, later, the JAS 39 Gripen would be obligated to remain in the air force for 3 or 4 years before going to work at an airline.

This would be similar to the 6-year requirement previously made on military pilots when they were hired.

The additional 2,000 kronor per month proposed by the government employment office for 200 pilots below the level of squadron leaders has been rejected by organizations representing personnel. The proposal was rejected both because of its size and because senior officers such as lieutenant colonels and higher.

Eventually, this could mean that young air force officers would receive salaries almost as high as fellow officers 20 years older with higher ranks and greater responsibilities for flying and security in general.

At present, SAS wants to hire pilots that are no older than 30 or 31, while Linjeflyg and Swedair have a limit of 35 years of age for their recruits. If certain tests are used, however, all three companies may be willing to recruit pilots up to 40 years old. The hiring of all older pilots is done on a case-by-case basis, however, and the airlines have given no general promise to recruit older air force officers.

The first 14 candidates are now being trained at the state-run airline pilot training school in Ljungbyhed, a school run by the air force for SAS. Now Linjeflyg and Swedair will also support training there and recruit pilots with civilian basic training.

As early as next year, the school administration at Ljungbyhed is prepared to accept 25 to 30 trainees for the 18-month course that precedes the specific training by the airlines for the various types of commercial planes.

With the present organizational setup, 30 students may be trained with relatively little influence on the cost. A greater number of students would require additional construction and the hiring of more instructors.

The three airlines hope to recruit 500 pilots by 1990. During the 1990's there will be an even greater need, since more pilots will retire then than during the upcoming 5 years.

9336

CSO: 3650/84

## NAVY'S NEW COASTAL CORVETTES WELL SUITED FOR ANTISUB ROLE

Stockholm DAGENS NYHETER in Swedish 2 Dec 84 p 6

[Article by Anders Ohman]

[Text] "A missile ship with the capacity to hunt submarines and the ability to defend itself." This is how the navy's most recent addition, the coastal corvette Stockholm, is being described. It was recently tested for the first time in the Baltic Sea by FMV (Defense Materiel Command).

The coastal corvette Stockholm has a displacement of 300 tons, has a hull length of 58 meters, is 7.5 meters wide, has two diesel engines and a gas turbine, can move at 30 knots, has a crew of 30 men, and costs 190 to 200 million kronor.

The Stockholm is the first coastal corvette in a series of six ships that will eventually replace the six oldest torpedo boats of the Spica class. The second ship in the series is the Malmo.

By the summer of 1985 the Stockholm will be fully tested and "operational," as the navy says. It will then be used to search for underwater activities by foreign nations and will reinforce the antisub forces that have operated along the Swedish coast since the spring of 1984.

The coastal corvette Stockholm is armed with the sea missile 15, two artillery pieces of 57 and 40 mm, torpedoes, and depth charges. The antisubmarine grenade Elma is also on board, in addition to wire-guided antisub torpedoes.

A more sophisticated instrument for hunting submarines is the Fisker towed hydrophone, a kind of side-oriented echo sounder that is used to find wrecked ships. It can find objects on the bottom, such as a submarine that is lying still in order not to be noticed.

In addition to instruments for locating submarines and weapons for combatting them, the coastal corvette also has the means to protect itself from aircraft and missile attacks.



## EXERCISE TESTS REACTION IN CASE OF WAR WARNING

Stockholm DAGENS NYHETER in Swedish 5 Dec 84 p 10

[Article by Peter Bratt]

[Text] I happened to go to a so-called press conference that was arranged by the Defense Ministry. For 1.5 months, 2,500 people in Sweden were involved in a major exercise to see what would happen in our country if a war were about to break out in the world.

What would the situation be with respect to oil, gasoline, food, clothing, electricity, communications, etc.? We remember how it was during the great power outage and how concerned people were over possible gasoline rationing during the oil crisis. Many are afraid and want to know.

The leadership of the exercise developed two possible cases. The first is a peacetime crisis, slightly worse than the oil crisis of 1973.

In the second case, Sweden is on the verge of war.

But the press was given no more concrete picture of these situation. We were told just as little about the outcome of the exercise.

This was the first time an exercise was conducted in Sweden in which supply questions were the central issue.

The exercise was conducted at the request of the National Board of Economic Defense, in order to coordinate the activities of various agencies, organizations, the government, and the civil defense. Undersecretaries, ministers, and budget officials were involved in the game. How did it go?

Defense Minister Anders Thunborg stated, by way of an introduction, that those present could read the press release and that "questions were welcomed." The press release stated that the results of the exercise "provide a good foundation for continued work in planning for our economic defense." Period.

Then the journalists asked what the exercise had demonstrated, what problems there had been, what weaknesses and strengths had been found.

Oil and food supplies were good, while the electronics sector was not so good, we were told.

But in what ways? What did the exercise show concerning the problem of mobilization and producing a gasoline rationing system? Would it be necessary to ration food and, if so, when? These were some of our questions.

The scenarios on which the exercise was based are 33 and 68 pages long, respectively. They are extremely detailed and interesting, but unfortunately they are secret.

We wanted to be told, at least, how people reacted when they were to make mock decisions as the scenario unfolded.

"Different agencies made different analyses of the same problem, which created a lack of coordination," the director general of the Board of Economic Defense, Gunnar Nordbeck, said.

"Labor organizations and business interests were also involved in the exercise. This created new sources of input," Defense Minister Thunborg said.

According to the secret scenarios that no one at the press conference was permitted to see, the Soviet Union and the West had begun to mobilize, Sweden had mobilized one third of its forces, and the Oil Club (which is supposed to divide up the available oil among its member nations) did not function. The scenarios contain lists of price increases for everything from cocoa to molybdenum.

But these general statements that most aspects went well and that there are certain problems in some sectors were all that the leaders of the exercise would tell the press.

Is this an indication of what we may expect in the way of information in the event of a real crisis?

When asked this question, both the defense minister and the director general looked bewildered.

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CSO: 3650/84

## BRIEFS

SOCIALIST CHALLENGES ARMING ICEBREAKERS--"Why have icebreakers been equipped with guns?" MP Birger Rosqvist (Social Democrat) asked that question of Minister of Defense Anders Thunborg. Rosqvist, who is a master pilot, wants to know what thinking lies behind the arming. Rosqvist made the discovery that the icebreakers are armed with guns at the shipyard in his home town, Oskarshamn. He then saw how two of the large icebreakers--"Atle" and "Ymer"--were armed with guns during their annual overhaul. He pointed out that the large icebreakers, because of the arming, are becoming military targets. A response from the defense minister can come after the Christmas recess. [Text] [Stockholm DAGENS NYHETER in Swedish 14 Dec 84 p 8] 9287

FIRE CONTROL SYSTEMS FROM SAAB--Saab Instruments of Jonkoping has received an order from the military for fire control and weapons systems for the army's antitank helicopters. The order also includes laser simulators for training missile operators. The order is worth a total of 200 million kronor. Production will begin in the spring of 1985. Saab Instruments is a part of the Combitech group. [Text] [Stockholm SVENSKA DAGBLADET in Swedish 17 Nov 84 p 33] 9336

CSO: 3650/84

## EXPORTED PILATUS PC-7 PLANES USED FOR WARFARE

Paris LE FIGARO in French 11 Dec 84 special section p V

/Article by Geneva permanent correspondent Laurent Mossu/

/Text/ The Swiss aeronautical construction company Pilatus, an affiliate of Gerlikon-Burle, one of the best-known cannon manufacturers in Switzerland, is exporting training and proficiency aircraft to the four corners of the earth. Involved is the two-seat turbojet for instructor and trainee whose qualities of durability, power and maneuverability are great. Over 350 PC-7 type aircraft serve the armed forces of a dozen countries, essentially of the Third World. And that is where the shoe pinches.

It is necessary to state in fact that the planes are being diverted from their initial and basic purpose and are put to military uses. However, in order to secure export licenses, it is necessary to pass off the Pilatus aircraft as being exclusively civilian. In this way, they escape the restrictions imposed by the Swiss Confederation on the sale of military equipment. Indeed, Swiss law forbids sales to countries experiencing internal or other conflict. Most of the time, however, as soon as it crosses the Swiss border, the PC-7 is outfitted with various types of weapons. It is converted into a fearful tactical piece of hardware used in the antiguerrilla struggle.

## Ethics and Trade

For years now this tactic has been the subject of numerous denunciations in Switzerland. Parliament was alerted and debates were initiated more than once in the public forum. But until now, the public administration and the executive have kept their eyes closed, refusing to take into account the outfitting done on foreign territory. The Swiss Minister of Armed Forces was even heard to state that anything could be converted into a war machine. He added that "one could not very well prohibit the sale of pushcarts merely because a terrorist was likely to load one with dynamite and send it hurtling at a crowd." The imagery is daring to say the least. It turns out indeed that the builder makes it easy for these planes to be equipped with complementary armaments. The builder makes provision for reinforcements, anchor points and attachment points that could not be explained by the mere eventuality of the "transport of hay and straw" as is suggested at the plant.

In fact, a very diverse panoply ranging from machineguns to missiles and passing through general-purpose or fragmentation bombs and through grenade-launchers complements the deliveries. This arsenal, essentially of Belgian and French origin, is often added before the planes leave Europe. Pilatus aircraft are then found taking part in the civil wars of South America, Asia, and the Middle East. It is not a coincidence that the PC-7 has seen action in Angola, Burma, Chile, and Guatemala, that Iran ordered over 60 of them and Iraq 52. The Swiss aircraft offers the local dictatorships means of intervention completely adapted to domestic warfare.

Its affordable purchase price--1 million Swiss francs--has no parallel with that of other conventional attack aircraft. Furthermore, there is the operating cost--and this is a crucial element in the southeastern hemisphere where even the most modest pocketbooks can afford it. The international economic crisis could not finally help but serve the interests of the Swiss aircraft builder. It offers a completely adapted product suitable for all plans, all circumstances.

The Pilatus Company has never been willing to admit the role played by its aircraft in the diverse operational zones. The company fought tooth and nail to defend its export possibilities. In its eyes, the issue should not be couched in terms of morality. Oerlikon-Buerli has always been an ordnance plant and only business has mattered. When Swiss law was amended to restrain arms exports, Oerlikon-Burlihe opened affiliates outside Switzerland--notably in Italy--to continue its trade and sell its ordnance.

#### Diversion of Purpose

Regarding Pilatus, a grain of sand seems however to have slipped into the cogs. Indeed, a few weeks ago our Lausanne colleague, LE MATIN, threw a veritable bombshell by publishing the facsimile of a prospectus addressed by the aircraft manufacturer to its clients. Included was a list of weapons recommended to outfit the PC-7. After a decade of official declarations asserting the strictly civilian character of the enterprise, the scandal is enormous.

To be sure, the Swiss plane is also being used for its original purpose, namely, training. Agreements have been signed with several Western countries in that respect. For a long time the company had hoped to outfit the French Air Force. But finally, the French orders went to a French product, the Epsilon, later replaced by the Alpha-Jet aircraft.

Beyond moral and ethical issues, it is necessary to note the remarkable breakthrough effected by the German-Swiss company in a difficult market long monopolized by non-Europeans. Located in Stans, near Lucerne in central Switzerland, the plant employs about 900 workers. Established in 1939, the company achieved 20 years later an international reputation by building the PC-6 made famous by the pilots of the glaciers and their prowess at high altitudes. What publicity these planes received weaving their way among mountain peaks and landing on carpets of snow to disembark skiers or to load injured mountain-climbers!



Five years ago Pilatus acquired a small plant in Britain where transport planes are assembled. Consolidated sales of 266 million Swiss francs were realized in 1983, up nearly 20 percent in a year. And the orders are still strong in 1984. This did not prevent the launching last spring of a new aircraft, derived from its predecessor, the PC-9. With better performance and smaller size, the PC-9 should conquer new markets. Equipped with a Pratt and Whitney turbine, it can fly at 460 km/hour and can reach an altitude of 4,600 meters in 4 minutes. It is meant to fulfill the requirements of the Royal Air Force, notably.

Negotiations are under way with the British for the sale of some 150 aircraft, that is, a deal worth over 200 million pounds sterling. Agreements have been made with the British Aerospace group so that should the need arise the PC-9 may be assembled in Britain.

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CSO: 3619/34

## VRANITZKY ON 1985 BUDGET, DEBT, TAX REFORM

Vienna INDUSTRIE in German 21 Nov 84 pp 8-14

[Interview with Minister for Finance Franz Vranitzky by Heide Groemansperg; date and place not given: "Managing the Assets"]

[Text] Franz Vranitzky has the reputation of always knowing what he is talking about and being unruffled to boot. He does not rule anything out, nor does he make any announcements, saying that we will have to wait for 1985 to see what "we can afford." His main goals are to work for structural change; to create a better understanding for problems and to support those willing to make an effort. The "go-for-broke" crowd should not expect him to be in their corner.

[Question] As an heir in spite of yourself, you have been settling the estate thus far as it were. The welcoming words of the economics expert of the opposition were that "you know how but it remains to be seen whether they will let you." Subsequently, he said that the 1985 budget proposal was not worked out by you so that under the circumstances your performance would have to be measured against the way you actually administer the budget. What exactly can you do and what will you do?

[Answer] It doesn't really make any difference whether the budget bears my imprint or not. When I took this job over the budget negotiations on the ministerial level had already been scheduled. We were under a great deal of time pressure so that I really must say that the basic proposal we have submitted was worked out on the department level ahead of time.

Now as to what I can do in administering the budget, let me say this: the budget is based on an expected nominal 7-percent rise in GNP and a net deficit of 60 billion schillings. In other words, we are looking for a slight improvement; a consolidation and stabilization at 4.4 percent—down from 4.8 percent for 1984 as measured against the GNP. Based on my own experiences on my most recent trip to the United States and a number of conversations with leading figures in the FRG, a substantial

economic slowdown may take place as early as the latter half of 1985. Now if that does happen—our economic research people in fact are working on an early warning system which should make it easier for us to tell—then the 1985 budget proposal might work out just right. If there is no adverse impact on the Austrian economy, then we will have to cut expenditures below the present proposed spending limits and that applies to discretionary items and those items over which we have direct control.

[Question] Are you implying that some items now included in the budget might be carried over into the following year ?

[Answer] I am not just implying: the second supplemental appropriations bill specifically provides for such a procedure. I expect a lot from that. The ministries used to worry that they would lose their appropriations, if they did not spend all their money during a given fiscal year. And that led them to spend the money in November and December—at times in rather indiscriminate ways.

[Question] What you are saying is that instead of spending "just for the hell of it" it will now be possible to save up—even for major investment projects ?

[Answer] Yes, that will be possible.

[Question] The so-called pension system reform program did reduce the need for supplemental appropriations in 1985; but that was not enough to defuse the time bomb. To avoid being disadvantaged, more Austrians are going to retire in 1984 than was expected; the number of early retirements—also as a means of reducing the strain on the labor market—is on the rise and those who have been paying up their insurance premiums are beginning to cash in on their claims. In a word, that promise that the problems of pension financing would be solved by 1990 is already obsolete.

[Answer] In this field, things tend to quiet down only temporarily as a rule. The minister for social administration figures that we will manage very well until the end of this decade. That is my assumption. I am in no position to offer incontrovertible proof that it is not so.

[Question] The emergency aid budget item has been increased by one-third as compared to 1984. Does that mean that the minister for social administration expects a sharp rise in structural unemployment and that you do, too ?

[Answer] It is more of a safety measure than a cause for real concern.

[Question] You have transferred the government's burden of new debt from abroad back to Austria. Why was that done—aside from the fact that the liquidity of our domestic credit institutions may not last and that we are faced with risks in the foreign exchange field ?

[Answer] There were capital market considerations behind that move rather than fiscal policy considerations. We must gradually work our way out of the capital market slump and get the market working again so as to make securities available to institutional investors.

[Question] In your Management Week address you said you would order a quick review of all the tax proposals that have been made. What comes after that: a tax reform package ?

[Answer] Tax reform is rather a lofty term because it tends to arouse great expectations which cannot be realized in view of the wide range of interrelated economic issues. But some thought will have to be given to individual aspects.

[Question] The government's inspector of revenue has spoken of changes in wage withholding procedures. Work has been done on this matter since early 1984. Are you supporting these efforts ? How long will it take to get results ? And will this call for lump sum down payments; an abolition of the wage tax cards or—to put it more simply—will this ease the burden of both the employers and the revenue service ?

[Answer] By taking this inventory, we are basically looking for simplification; we are trying to get rid of everything that stands in the way of simplifying the administrative procedures. That can sometimes be done with the help of changes that seem positively trivial. We have made a start by introducing the tax modification bill which calls for new provisions in giving prior notice on sales tax. It may also seem trivial to print up a new form which is more legible; but it does provide the individual with better access to justice. But we will not get rid of the establishment as such where one institution does the collecting and three additional regional institutions are funded from these collections. As long as the revenue-sharing program remains in effect many things will stay the same. For this reason, the focus of our administrative projects, too, will have to be on making improvements on individual types of taxes.

[Question] There is another aspect to this which concerns wage rates. The plan is to collect 30 to 35 percent more in wage taxes by the end of 1987. Are you going to modify that plan prior to the elections ?

[Answer] I have to wait and see how the economy as a whole develops—at least through 1985—and then pass judgment on what as well as how much we can afford. Aside from the fiscal aspect of it, a midcourse correction would have a psychological impact as well—it would be wrong not to take

that into consideration. We must not forget that the wage rate measures included in the 1983 budget cut into our tax earnings while affording very little tax relief to the individual taxpayer. We have to make a strong effort to continue our work on budget consolidation. By doing that today, we can buy ourselves some room to maneuver for tomorrow.

[Question] In the summer of 1984 you said that you "consider all those proposals for tax reform correct and necessary which tend toward an improvement of the capital fund structure of industry which in turn helps create a more favorable climate for investment."

[Answer] I still hold to this view and will take it into consideration in reviewing the various tax proposals.

[Question] Based on the experience of the business community, the biggest obstacle to capital formation is the tax on business capital which makes it necessary for the entrepreneur to earn two-and-one-half times the amount of the tax. Lowering the basis of assessment to 90 percent has lightened the burden a little. When will the next step be taken and what will decide whether the corporation tax rate will really be reduced? A 15-percent cut of that tax would result in a revenue loss of about one billion schillings.

[Answer] My response to that is the same I just gave you on the wage rate issue.

[Question] The chamber of labor has come up with the rather remarkable idea of promoting capital formation by cutting taxes on newly issued stock; but that is coupled with the somewhat precipitate demand to offset this by reducing the tax advantages of consumption certificates.

[Answer] Those ideas are not really new. I can envisage solutions only in connection with the big picture. They must also include venture capital. I hope we will soon have something to work with presented to us on that score.

[Question] Like VOEST Director General Apfalter and OeVP economic expert Josef Taus you have also made a point of observing that those areas of the economy which enjoy protection have not developed the kind of awareness of problems that is typical for business firms which must compete in the open market. Apfalter summed up this observation in an appeal to "protect those willing to put out against those who would rather sit on their laurels." And as general manager of the Laenderbank you were saying that "public sector support should be used to prime the pump for specific projects but should not be employed on a permanent basis." Now that kind of language would seem to be aimed at the nationalized industries.

[Answer] I believe that there is a growing awareness among the big concerns to the effect that the market forces must be taken into consideration.



[Question] In making reference to the concerns, are you also including the employee representatives in this ?

[Answer] Not without exception—when I think of the regional factory councils. But I am not pessimistic. Iacina, the OeIAG and the various firms do understand that the government funds made available to them must be used to effect structural changes. There is no need to go overboard as far as the VEW is concerned; but I do think that there is a change of heart taking place in the much maligned basic industries sector.

[Question] The government employees do not seem to be firm on either of these issues. The most recent bargaining agreement which calls for average raises of 4.9 percent in addition to the biennial increases certainly does not appear to meet these criteria. It is neither in tune with the budget which is in dire need of balance, nor is it in line with wage agreements in industry which called for smaller raises than those in the public sector.

[Answer] There is no wage or salary agreement where one does not wish one had been able to agree on less of a raise. In the wage negotiations with the public employees—ranging from railroad engineers to ministerial councillors—it was our aim to arrive at an acceptable compromise between the obvious need to keep government expenses down and the fact that these men and women were part of the Austrian labor force like everyone else. The fall certainly is not a very good time to take over the post of finance minister.

[Question] One-half year of administering the budget and one year of budget planning by one's predecessor ?

[Answer] That's about it.

[Question] How much freedom to maneuver do you think you have—from a substantive and a political point of view ?

[Answer] That takes us back to our starting point—that statement you referred to: "he could do the job, if they let him." That, in my estimation, is backbiting. The OeVP is saying "carry out our proposals; then you will be a good finance minister, if you dare." That is an appraisal that means very little to me and I have no intention of embracing it. In 1985, we will try to make gradual structural changes wherever possible—including the public sector, administration and public services. What I am talking about may not be very easy to put into words.

[Question] Is this an example of your critics' contention that "Vranitzky knows what he is not talking about ?"

[Answer] My point is not to agree with all the grumblers. This country is not full of lazy people; nor is it a country in which nothing works. We must try to tell the Austrians in what a wonderful country they are living; how well they have always performed and how well they still do perform.

[Question] Give them a little of what Reagan gave to America ?

[Answer] [in English] I wouldn't have said that....but we must try to bring about a change in awareness. I was very much taken with the appeal entitled "searching for an antidote." At the moment, political life looks as though everybody wants to get on the green train or on the alternative train; the Kamikaze crowd occupies center stage. It is time we said out loud how much the many countrymen of ours who are working hard, who are decent and by no means dense folk are contributing to Austria's well-being. The industrialists could help this process along by not making light of their own achievements. I was present when businessmen raised no objections to being told that they would rather stand in line for a government handout than fight for profits. A great many of them work hard at their place of business day and night. I expected a loud outcry from them; but there was none.

9478

CSO: 3620/163

## EEC NEGOTIATIONS STILL FOCUS ON AGRICULTURE, FISHING

Madrid ABC in Spanish 25 Nov 84 n 17

[Article by J. P. Quinonero]

[Text] Negotiations between Spain and the European Economic Community will not be able to be concluded before the end of this year, as previously planned. Agriculture -- including wine, oil, fruits and vegetables -- and fishing problems continue to paralyze negotiations totally and the positions adopted by France and Italy make it impossible to advance toward the solutions urgently demanded by our country and the Federal Republic of Germany.

These are the basic conclusions of the French-Spanish working meeting held in the Paris suburbs yesterday by the Spanish ministers of foreign affairs (Fernando Moran), economy (Miguel Boyer), industry (Carlos Solchaga), agriculture (Carlos Romero) and the secretary of state for relations with the EEC (Manuel Marin), with their French counterparts, a meeting called by the Spanish Government.

In answer to the specific question of whether Spain-EEC negotiations could be concluded before the end of the year, Minister Moran said:

"I would not discard the possibility, but it would perhaps not be a good bet. On the contrary, I am convinced that it is possible that Spain will join the EEC in early 1986...."

Regarding the same negotiations scheduling problem, Minister of Agriculture Romero publicly joked at a press conference, commenting that "it is clear that negotiations will not be concluded before April Fool's Day!"

For his part, Minister of Economy Boyer reflected in a more serious vein that "I think it is obvious that given the problems with agriculture that have not been solved, there has literally been no progress.... I have said as much in different European capitals, emphasizing my fear that this absence of any tangible progress could become a risk of blockage of definite gravity."

The French-Spanish working meeting basically concentrated on this cardinal problem: the bilateral aspects of Spanish-EEC negotiations.

The minister of agriculture did not wish to provide information about a truly cardinal issue: the French and Spanish positions on items which, according to Boyer, run the risk of blocking negotiations: wine, fishing, olive oil and fruits and vegetables.

However, on a semi-official basis, it is publicly known that the French positions are based on several central points:

Regarding wine, quotas on Spanish production. On this issue, it is not easy to learn who is more intransigent: France or Italy.

Regarding olive oil, there is a certain Community unanimity on quotas. Rome and Athens are the capitals that are the least flexible.

Concerning fishing, French Minister Guy Langagne emphasized again yesterday that the EEC position revolves around absolute respect for Spanish fishermen.

Regarding fruits and vegetables, President Mitterrand recently emphasized that Paris and Bonn continue to maintain divergent positions. Bonn wants to open the doors to Spanish products in Europe, while the French Government is playing with a highly varied list of customs obstacles, quotas, schedules and administrative difficulties that considerably impede the free circulation of Spanish products over the next 15 years.

Moran expressed his hope that next week might bring new elements if the Council of Ministers should manage to negotiate a European position to offer Spain on several sensitive issues. The next phase to save immediately would be the European summit conference in Dublin early in December. Yesterday's French-Spanish working meeting again emphasized that the Spanish negotiations are multilateral negotiations with the EEC, but a decisive number of problems depend on technical positions and the defense of its interests which France chooses on matters of principle and difficult to resolve for the time being.

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CSO: 3548/54

## MADRID AREA HARD HIT BY SOCIOECONOMIC MALAISE

Madrid YA in Spanish 25 Nov 84 (Suppl) pp 7-8

[Article by Angel del Rio]

[Text] The metropolitan areas of the large Spanish cities have suffered a major socioeconomic depression in the past 10 years. In the 1960's, they were the poles of attraction of the migratory phenomenon, becoming zones of absorption with spiraling growth rates of over 300 percent. These improvised urban suburbs which sprang up around budding industrial belts without the barest infrastructures and services, later resulted in shortages of facilities which, combined with the loss of work, have generated wide-ranging social depression.

Some 37 percent of the Spanish population lives in cities of over 100,000 inhabitants, which puts us in first place in Europe. The country's five major metropolitan areas occupy under 1 percent of the national territory, while sheltering 27 percent of the Spanish population. These urban settlements around the big cities absorb 42 percent of all national unemployment and suffer 69 percent of all crime.

The birth of the major metropolitan areas (Madrid, Barcelona, Bilbao, Sevilla and Valencia) has produced a great impact on national urban life, resulting in average population densities far above those considered optimum in Europe. According to some experts, this concentration hinders the normal development of citizens and directly affects their conduct. For Canary Island artist Cesar Manrique, the large metropolitan areas have been viewed as "human dumping grounds" and the children who are born there and grow up in an "inadequate, dehumanized environment, who never see the grass grow or watch the behavior of ants, are perfectly suited to become terrorists because they are being raised in an inhospitable environment."

Perhaps the most significant example of the precarious socioeconomic situation of the big metropolitan areas is Madrid and more specifically, the southern industrial belt. The situation is almost chaotic. The mayor of Getafe, perhaps the municipality most affected, has stated that if the southern zone of Madrid is not declared "in urgent need of reindustrialization," then it may well become a municipal cemetery!

Nor is this an exaggeration because the facts are even more blatant. The southern region of the Madrid region absorbed the highest percentage of



emigrants coming from the most scattered points of Spain during the 1960's. It later had to absorb another flow of "emigration" from the capital itself, young married couples looking in the outlying areas for real estate more within their reach. The demographic picture is as follows: Some 65 percent of the inhabitants of the southern zone of Madrid are emigrants.

The economic crisis began to have a major impact in the industrial belt starting in 1980. It joined the crisis in industry and commerce, the spiraling loss of jobs and social depression. The high levels of unemployment led to increasing crime and the impoverishment of a broad stratum of the population. This industrial belt of Madrid accommodates 1.5 million inhabitants, meaning 4 percent of the Spanish population in an area making up .4 percent of the national territory.

### 25 Percent of Unemployed

A sector such as construction, which had been a driving force of other activities in the urban boom of the 1970's, dropped like a stone, partly because of the economic crisis itself and also as a result of the paralyzation of licenses ordered by certain municipal governments starting in 1979. In 1971, construction absorbed 174,000 jobs, which figure rose to 207,000 by 1975. This was the peak because in 1979, the figure dropped to 140,000 and last year, the total was 100,000.

The metropolitan area of Madrid exceeds 41 Spanish provinces and five autonomous communities in population. The economic crisis has been so acute in the southern industrial belt that at the present time, it has as many unemployed (50,000) as it did inhabitants in 1960. One out of every 10 residents is out of work. This zone houses 25 percent of the unemployed in the Madrid region, including the capital. Only 46.5 percent of the unemployed receive subsidies and 65 percent of these are in their tenth month of payment.

Other figures provide an idea of the grave social situation of the unemployed. Some 23 percent are over 50 years of age, 42 percent have over three children economically dependent on them and only 5 percent have any hope of finding work. Only 12 percent receive over 60,000 a month in unemployment benefits. Over the next 10 years, 150,000 persons will reach working age without any possibility of finding jobs. Industry has been the sector hardest hit by the crisis, losing 115,000 jobs in the past 8 years in the region's southern zone. In the past 5 years, 2,200 enterprises and businesses have closed their doors. This means that in some municipalities and the industrial sector, the level of unemployment threatens 40 percent. The community of Madrid is the second, after the Basque country, with the greatest number of jobs lost because of the conversion of different sectors. With respect to the gross national product, the industrial sector represents 28 percent as a national average. However, this figure drops to 21.8 percent in the southern zone of Madrid.

This precarious economic situation affects the phenomenon of poverty. It is calculated that 18 percent of the families in the Madrid industrial belt have incomes under 40,000 pesetas a month with an average family unit of five persons. Crime has shot up in an alarming fashion, going from an average of

35 crimes a day in 1977 to some 95 at the present time in all the towns and settlements making up the industrial belt. The average age of those involved in crime has dropped from 19 in 1977 to 16 last year.

In the Madrid district of Villaverde are the largest pockets of poverty in the capital. The shantytowns and the alienation typical of the outlying urban areas. Urban crowding is also a fertile field for the development of crime. It has been said that the southern zone of Madrid has the heaviest drug trafficking in Spain.

The depression is also cultural. There are 130,000 illiterates in the Madrid region, of which 40 percent are concentrated in the industrial belt. In the municipalities of Mostoles, Alcorcon, Leganes and Getafe alone are 40,000 inhabitants who can neither read nor write.

If there is no economic recovery, the southern zone will continue to wallow in a major social depression. Declaring it as an Urgent Reindustrialization Zone (ZUR) may be vital, but the government has not yet taken the step. With every passing day, the number of unemployed, lost jobs, employment reorganization measures, factories closed and escalation of crime and social depression grows.

#### Figures on Southern Zone

In the construction sector, 107,000 jobs have been lost since 1975 and 115,000 in industry in the past 8 years.

The southern zone has as many unemployed (50,000) as it did inhabitants in 1960.

Since 1978, a total of 2,200 enterprises and businesses have closed their doors.

An escalation of crime: from 35 crimes a day in 1977 to 95 at the present time.

In the Madrid region, there are 130,000 illiterates, with 40 percent concentrated in the industrial belt.

#### Causes of Illiteracy

60.2 percent for lack of economic means; 22.3 percent related to going to work at an early age; 8.5 percent not aware of the importance; 4.4 percent due to living far from any school; 3.2 percent whose parents did not want them to attend school; and 1.4 percent for unknown causes.

#### Number of Unemployed in Southern Madrid Municipalities

Leganes, 11,500; Getafe, 11,000; Mostoles, 10,500; Alcorcon, 7,000; Fuenlabrada, 5,500; Parla, 5,000; Pinto, 4,200; and Valdemoro, 1,000. (There are also 14,000 unemployed persons in the district of Villaverde.)

# Evolution of Industrial Crisis

<u>Year</u>	<u>No. of Industries</u>
1970	2,900
1978	7,400
1979	8,000
1983	5,700

11,464

CSO: 3548/54

## NATURAL GAS TERMINAL AT ZEEBRUGGE READY IN 1987

Brussels LA LIBRE BELGIQUE in French 8 Nov 84

[Article by Pierre Loppe: "A Terminal Risen From the Sands"]

[Text] One of Three Liquified Natural Gas Reservoirs Is Roofed at Zeebrugge; Political Waves Having Receded, Work Proceeds at the Planned Pace; The Project--70% Financed--Will Be Operational in 1987"]

The Zeebrugge natural gas terminal is taking shape on our coast. It is rising from the earth, or rather, from the sands of the 35-hectare man-made peninsula, built by public works as an extension of the sea port. It is rising slowly but surely with the regularity and timing of a civil engineering project. It is a gigantic site which constitutes, alongside the port complex, one of the most significant, if not the most significant, undertakings of public works ever carried out in our country.

At Zeebrugge, where the management of Distrigaz was kind enough to open the gates of "its" terminal to us, work is progressing well. Following the political storm, the waves seem to have receded. Temporarily? Perhaps. In any event, the 500 workers (hired by a temporary association of 8 Belgian firms) who are working without interruption on the construction of this energy complex are not displeased about enjoying a more serene climate.

## Cupola Bathed in Sunshine

Just 10 days ago, on Tuesday 30 October, a key phase of the construction was crowned with success under a very beautiful sun: the positioning of a 72-meter diameter steel cupola over one of the 3 liquified natural gas reservoirs installed at the terminal. Due especially to the very strict security requirements, before us, no outside observer had been allowed to see this spectacular piece of work. The photos published this Thursday in LA LIBRE BELGIQUE are totally exclusive.

Viewed from the inside, after descending the 17 flights of a steep stairway of pipes and planks, the reservoir looks like a grandiose cathedral. From the summit of the cupola a difused light filters. The acoustics are exceptional. The place is so large that it could contain a village of 150

houses and a church! In a few months, 87,000 cubic meters of liquified natural gas stored at a temperature of...minus 160° C will fill the space, at an ambient pressure somewhat like inside a thermos. Why in liquid form? For reasons of cost, safety and also of space: LNG is 600 times less "cumbersome" than traditional natural gas.

#### Security and Environment

For those who are interested in technology, let's point out that the reservoir is composed of an exterior wall of prestressed concrete, an insulation system and a self-supporting internal reservoir of 9%-nickel steel. The internal seal is backed up by a carbon steel covering. The reservoirs are of the "sunken" type in order to respect the maximum height of 30 meters above ground level. This requirement led to the construction of a buried cylindrical wall penetrating to a depth of 30 meters into the clay stratum. The reservoir is located within this enclosure. It rests on 168 concrete columns which are supported by a slab of concrete...3 meters thick. This is the crypt of the cathedral. The project designers insist as much on the exceptional security measures which are taken as on the constant concern for respecting the environment. This still does not keep ecologists from demonstrating every month in front of the terminal gates.

When finished, the installation will include 3 reservoirs for a total of 261,000 cubic meters. The ship "Methania" which will transport the precious liquid from Algeria to Zeebrugge will carry some 125,000 cubic meters of LNG. It will be moored at the wharf (which is also practically completed) for an 11-hour unloading process.

#### A Beautiful Tool

First blocked, then slowed down by political indecision, work began on the terminal in March 1982. It is estimated that the project (of a total cost of 22 billion, or 16 billion plus finance charges and interest) is financed for 70% of its value. Civil engineering is two-thirds finished with its work. At the beginning of 1985, with a total of a thousand workers, the setting up of the actual installations (pipe systems, computer systems, etc.) will begin. According to the experts met on site, operations are proceeding according to plan. The first docking of the "Methania" is still set, barring the unforeseen, for the first of 1987.

Whether or not one appreciates the petroleum industry investment in Zeebrugge, whether or not one agrees with its opportunity and the methods of finance, one cannot remain unimpressed by the technological achievement. The LNG terminal is a beautiful tool, a tribute to our industrials.

12666

CSO: 3619/26



## HEAD OF GOVERNMENT OIL IMPORTING COMPANY ON PRICE HIKES

Reykjavik MORGUNBLADID in Icelandic 23 Nov 84 p 5

[Unattributed Article: "Oil Prices Must Increase by 40 to 50 Percent"]

[Text] "The purchase account for oil was negative by 140 million kronur before the devaluation of the krona and after that took place the deficit increased to 190 million kronur and is now increasing at a rate of 2 million kronur a day, if nothing is done. For this reason, the debt of oil purchasers with oil companies will be around 300 million kronur by the beginning of the year. If this deficit is to be eliminated within 3 months, the price of gasoline will have to increase by 40 percent and fuel oil by 50 percent." So said among other things, Thordur Asgeirsson, the director of the Iceland Oil Trade at a general meeting of the National Association of Icelandic Shipowners.

There was a great deal of discussion on Thordur Asgeirsson's lecture and questioning of the directors of the oil companies, Indridi Palsson and Vilhj Vilhjalmur Jonsson, who attended the meeting. One shipowner, Adolf Gudmund-Gudmundsson of Seydisfjordur, said in an interview with MORGUNBLADID that if there is an oil price increase of this size, he would have no other choice but to lay up his ships. No one can bear such an increase. Those at the meeting also discussed the proposed import of oil and shipowners asked about what the intention of the government was with such proposals. The idea was coolly received.

Thordur Asgeirsson said, among other things, in his speech, regarding the debts of the oil companies, that it was desirable to explain that the oil companies have, with their financial support in the form of below-market gasoline and oil prices and through other credit activities for shipowners and through conversion of trading debts with reduced interest rates, kept alive shipowner companies that have been unable to find an operating basis and which thereby should have gone under or been taken over by the state or by the association. If that is true, however, then Iceland Oil Trade should certainly bite the bullet along with the shipowners, for whom such a fate is being prepared.

Thordur Asgeirsson then said: "The next item that I wish to discuss is gasoline buys that the oil companies make on their own from gasoline purchases from the Soviet Union and Portugal. It has created a certain amount of amazement among National Association of Icelandic Shipowners delegates that there is no possibility for a more favorable buy in this trade since everything is equaled out among the oil companies when purchase accounts are balanced among them at the end of the year. I am in agreement with having changes made so that a company would have favorable buys and pay thereby for unfavorable. This is because I think that there is some possibility of decreased oil prices if the oil companies receive increased space for more free gasoline buys to decreased somewhat purchases from the Soviet Union.

"I think that this should not put our fish sales agreement with the Soviet Union in danger since we purchase much more from them than they from us. On the contrary, such action could put pressure on them to purchase more fish from Iceland to get Iceland to increase its oil purchases.

"I wish to say likewise that the best way of securing the lowest possible prices for Icelandic consumers is to free price setting and decrease purchase balancing and the price equalizing fund. I feel that competition between the oil companies is in fact the only guarantee to consumers that the utmost effort will be made everywhere to hold down prices."

9857

CSO: 3626/3

## GOVERNMENT ELECTRIC POWER AGENCY COMPLETES NATIONWIDE GRID

Reykjavik MORGUNBLADID in Icelandic 13 Nov 84 p 7

[Unattributed article: "1,057 Kilometer Rural Power Grid Completed"]

[Text] "Herewith the rural power grid is complete," said Minister of Industry Sverrir Hermannsson, in an interview with MORGUNBLADID, when the Southern Line was put into operation on Saturday. The Southern Line is an almost 250 kilometer long, 132 kilowatt high tension line from Hofn on Hornarfjordur to Sigoldustod. Set cost of the entire line is 515 million kronur.

With the Southern Line, the 1,057 kilometer Rural Power Grid is complete and the reliability of the National Hydroelectrical System increased considerably, as it is stated in a news release of the system, "especially the reliability of electrical supply in rural settlements. Through the grid we are likewise striving towards more convenient collective use of hydroelectrical plants in all parts of Iceland and near elimination of the production of electrical power in oil-fired plants.

The Southern Line begins at the main power distribution center at Holar near Hofn in the Hornarfjordur and follows the glacier south to Prestbakki in Sida, which is directly east of Kirkjubaejarklaustur. From there the line goes around Geirlandsheidi south of the Leidolfssfel over the Skafta at the confluence of the Skafta and the Sudri-Ofaer. It goes over the Eldgja, north along the Tindafjoll, over the Tungnaa at Stora-Kyling, south by Snjoalda and west over the Tungnaa at Blataver, southwest along the Tungnaa to the grid station at Sigalda. The route was chosen in cooperation with the Environmental Council.

Work on the Rural Power Grid has now gone on continuously for 12 years. State electrical power distributors had charge of building the line until 1 January of last year when the National Hydroelectrical System took over the lines itself and their operations according to a special agreement. In connection with the construction of the Southern Line a distribution station has been built at Holar at Hofn on the Hornarfjordur and the grid station at Sigalda strengthened.

The minister of industry said in an interview with MORGUNBLADID that the next power station project to be undertaken with a concentrated effort will be the Blondu station. "We cannot slacken there if we intend to sell 600 gigawatt hours of the 750 that the station can produce for expanded aluminum smelting at Straumsvik," he said. "Likewise, the Kvislar distribution center is going forward rapidly with streams in the Thjorsir Region being fed into the Thorisvatn Reservoir. In the coming years 1,400 million kronur will be spent for construction and research."



(1) Rural Electric Power System	(7) Service station
(2) Southern Line	(8) 220 kW line
(3) Explanations	(9) 132 kW line
(4) Current system	(10) 66 kW line
(5) Under construction	(11) Markets
(6) Power plant	(12) Owned by others

CSO: 3626/3

## LIQUIFIED PETROLEUM GAS ESTIMATES FOR 1985-1990

Rome RASSEGNA PETROLIFERA in Italian 10 Sep 84 pp 801-809

[Text] We publish herewith a study by the Liquified Petroleum Gas (GPL) center, which is the result of collaboration by all its members and, in particular, of the work done by the member companies' experts: AGIP Petroli, AGIP Liquigas, API, Butangas, Covengas, Fina, Industria Italiana Petroli, Total, and by the sector's category associations: ASSO GPL and DI.STRA.GAS.

### 1. The International Outlook

World energy requirements forecast for 1985-1990 by the most authoritative international experts, shows an increase by 1990 of 13.2 percent over the 1985 level, with a mean annual percentage variation of 2.5 percent.

Increases are predicted for all energy sources, albeit by disparate percentages.

ENERGY SOURCE	1985		1990		VARIATION % M.A.
	Million ETP	%	Million ETP	%	
Solid fuels	1,946	28.2	2,206	28.3	+ 2.5
Natural gas	1,275	18.5	1,480	19.0	+ 3.0
Oil	2,872	41.7	3,102	39.7	+ 1.6
Hydro/Geothermal	488	7.1	545	7.0	+ 2.2
Nuclear	289	4.2	430	5.5	+ 8.3
Renewable sources	18	0.3	37	0.5	+ 15.5
TOTAL	6,888	100.0	7,800	100.0	+ 2.5



The percentage variations predicted for the various energy sources, in the global context, are driven by general economic factors, rising partly in response to broader availability of particular energy sources and partly to utilizations that prefer some sources to others, including those preferences based on ecological considerations which are destined for much greater importance.

In the area of petroleum products, which predictions say will rise by 8 percent over the 5-year period, LPG seems likely to increase its share of market, partly because of greater abundance, which will affect its competitive status against other products, and partly, again, for environmental reasons.

It is also true, nevertheless, that in the European consumer countries in particular, the omens point to broader distribution of natural gas to replace part of LPG in the domestic and industrial sectors, yet, at the same time, many countries are beginning to turn to LPG as automobile fuel, because its very high octane rating obviates the need for lead-based additives and because its combustion emissions are far more benign ecologically than are any of the conventional fuels.

LPG availability over the period is going to grow, in part because of advanced processing of crudes, but mainly because of enhanced output of LPG associated with oil and/or natural gas.

LPG production from North Sea wells will rise rapidly for the next 2 years and, despite rising requirements from petrochemical plants now under construction around the on-shore terminals, there will be huge increases in supply, accompanied by substantial decline in prices.

In the years immediately following we shall see much more LPG produced in the Middle East countries. The major customers for Arab LPG will continue to be the Japanese. Domestic requirements in the Arab countries themselves are slated to rise, but even so there will be very large surpluses which will have to seek markets in the industrial countries.

The overall dimensions of the increased quantities of LPG, coming primarily from separation from oil and natural gas during the extraction process, in relation to the base year 1982, are calculated at about 13 million tons, for 1985, at 17 million tons, for 1986 at 25 million tons, and for 1990 at 26 million tons, allowing for the separation plants now under construction to come on line.

Remembering that the trend in demand at the world level would lead to increases (over the 1982 base-line) of no greater than 3; 5; 12 million tons respectively for 1985, 1986, and 1990, we should expect, for those same years, surplus "trends" of 10, 12, and 14 million tons.

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OUTLOOK FOR WORLD SUPPLY, DEMAND, AND PRICES FOR LPG

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(millions of tons)

	1982	1983	1984	1985	1986	1990
Supply	94.6	93.7	101.2	108.3	113.6	121.8
Demand	95.7	93.3	95.8	98.1	100.7	107.4
Prices	- 1.1	- 0.4	+ 5.4	+ 10.2	+ 12.9	+ 14.4

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The area breakdown for the price "trends" shown above shows the very rapid disappearance of the current shortages in Europe, which should, within the lapse of 2 years, be totally self-sufficient, along with the formation of huge surpluses in the Arab countries which, after meeting the structural Japanese shortage -- somewhere between 10 and 12 million tons, will no longer be able to put the squeeze on Europe.

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GEOGRAPHICAL ANALYSIS OF LPG SURPLUSES AND SHORTAGES

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(millions of tons)

	1982	1983	1984	1985	1986	1990
N. America	- 2.9	- 1.2	- 0.8	- 0.6	- 0.2	+ 0.5
Europe and North Sea	- 2.5	- 1.3	- 0.8	- 0.2	+ 0.2	- 0.7
Asia	- 12.2	- 10.6	- 10.7	- 11.0	- 11.2	- 11.6
L. America	- 0.4	- 1.0	- 0.9	- 1.0	- 0.4	- 1.3
Africa	+ 0.4	+ 0.6	+ 2.7	+ 3.9	+ 5.0	+ 4.5
Mideast	+ 14.7	+ 12.0	+ 13.8	+ 16.5	+ 17.1	+ 20.1
Oceania	+ 1.8	+ 2.0	+ 2.2	+ 2.5	+ 2.4	+ 2.0
TOTAL:	- 1.1	+ 0.5	+ 5.5	+ 10.1	+ 12.5	+ 14.4

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This pressure should lead to swiftly dropping prices such as to create large gaps in the market for the petrochemicals sector, which, particularly in Northern Europe, is already capable of replacing significant quantities of Virgin naphtha with LPG.

Not until a later phase will the persistence of strongly competitive price ratios by comparison with the other by-products of refining and of natural gas make room on the market in other sectors (domestic heating, automobile fuel, industry).

Clearly, pressure from LPG will not fail to trigger responses in the prices for Virgin naphtha and, indirectly, albeit to a lesser degree, those for gasoline. This is set in the context of widespread surpluses of light fractions, partly in view of the likelihood of greater production of natural light fractions in the Middle East and Africa.

The biggest problem will arise from the possible timelag between the growth of supply, especially those from the North Sea, and the rise in demand from the petrochemicals sector, an eventuality that could very soon lead to major fluctuations in prices and widespread market instability.

## 2. The National Outlook

Taking as our frame of reference the national energy scenario as of 1990, recently updated by the General Directorate Working Group on Energy Sources at the Ministry for Industry, we see for our country a trend analogous to the global pattern if we exclude that prediction of demand for petroleum products which is declining.

(Millions ETP)

ENERGY SOURCES	Final (1982)	1990 Forecast	
		National Energy Plan (orig.)	Value added
Solid fuels	14.4	34.0	22.0
Natural gas	22.1	35.0	31.0
Major Electric power sources (hydro/geo/nuclear)	13.3	20.0	16.0
Petroleum	90.2	94.0	85.0
Other sources	-	2.0	1.0
TOTAL	140.0	185.0	155.0

The patterns in petroleum consumption, combined in the main categories, indicate an overall decline from 90 million ETP in 1982 to something in the neighborhood of 85 million ETP by 1990. The table shows the distribution pattern

(Millions ETP)

P R O D U C T S	1982		1990	
	Million Tons	%	Million tons	&
Gasoline	12.0	13.0	11.0	13.0
Gasoil	26.0	29.0	28.0	33.0
Fuel oil	37.0	41.0	30.0	35.0
Other	15.0	17.0	16.0	19.0
TOTAL	90.0	100.0	85.0	100.0

LPG, which is lumped among the "other" products, will, according to the assessment in this study, rise from 2,505 tons in 1982 to 2,725 tons in 1990, showing an increase in its market share in the context of petroleum products from 2.8 percent to 3.2 percent.

### 3. Predicted Events Which May Affect Demand for LPG Over Time

#### 3.1. Abundant supplies of LPG for import

The vast supply of LPG associated with oil and/or natural gas on the part of the Producing Countries should in any case favor competitive posting prices by comparison with other petroleum products and hence stimulate demand. It is certain that the OPEC countries will implement any strategy they can devise to avoid unbalancing the market, but even so it is a safe assumption that they will tend to offer most of their products at reasonable prices on a market that will be steadily expanding. This fact guarantees a steady supply at prices which today look like staying competitive at least until 1990.

#### 3.2. Energy market demand open to LPG

Predicted market demand shows gradual increases over the span of the period in all energy sectors that can use LPG.

Energy consumption trends in Italy by 1990 (1)  
in those utilization sectors accessible to LPG

(Millions ETP)	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>
Agriculture and fishing	2.48	2.52	2.56	2.61	2.66	2.70
Industry	33.59	33.77	34.11	34.64	35.12	35.52
Transport	26.23	26.69	27.19	27.76	28.29	28.72
Household use	32.77	33.03	33.37	33.87	34.21	34.63
<b>TOTAL:</b>	<b>95.08</b>	<b>96.01</b>	<b>97.24</b>	<b>98.88</b>	<b>100.29</b>	<b>101.58</b>

All user sectors accessible to LPG are going to increase their own levels of consumption of energy. In all, the predicted increase over the 1985-1990 period is 6.8 percent.

### 3.3. Expansion of the natural gas distribution system

Planned expansion will inevitably replace LPG in household consumption, particularly for cooking.

This is attributable to the greater convenience of using natural gas piped into the house rather than bought in bottles, and to the predictable cost savings to the consumer.

It is certain that the probable increased competitive edge for LPG by comparison with the present situation can delay its replacement with natural gas.

If we exclude from our household sector both hot water and space heating, where LPG has only a small toehold right now (1.4 percent in hot water heating and 0.8 percent in space heating), the kitchen looks like the softest target because it already serves 48 percent of the Italian market: over 9 million households use it.

Looking at the plans for providing natural gas, in this segment, totaling 400 million cubic meters from 1985 to 1990, the equivalent of about 300,000 tons of LPG, the thinking is that in view of the predictable delays in natural gas delivery network expansion and the economic aspects of the cost of hooking into the system, the decline in consumer demand for LPG for household use will probably settle at around 15,000 tons between 1985 and 1990.



## Super-Tags for LPG Cars

The imminent institution of the "super-tag" for LPG-powered cars, to take effect on 1 January 1985 under a forthcoming regulatory decree, was designed, according to the experts, to bring about an initial decline in automobile fuel consumption, to be followed by a slow but steady recovery.

Bringing the price per bottle into line with the price at the gas pump, as the bill stipulates, would sharply cut or even solve the problem of wrongful tapping from the domestic market, without making the gas-station operators shoulder the bill for it. This predicted development is the result of two situations:

- the citizen driving an LPG-powered car, who covers a mean annual distance in the lower portion of what is currently deemed the optimal fuel-consumption band (12,000 - 18,000 km/yr.), who plans to use LPG for 70 to 80 percent of the time because of the difficulty of finding it (as happens in some areas), will be put off by the super-tag and go back to buying gasoline.

- the citizen driving an LPG-powered car who covers a mean annual distance in the upper part of what is now regarded as the optimal fuel-consumption band (12,000-18,000 km/yr.), also attracted by technology improvements in diesel engines and by the entry onto the market of small-cylinder cars, not to mention the lack of reliable supplies of LPG on the road, will probably opt for one of the new diesels.

In other words, the number of drivers who find LPG a convenient and satisfactory fuel is doomed to diminution.

### 3.5. Ecological problems related to automobile fuels

The introduction of low-lead fuels, which was recently the subject of an EEC directive, will give LPG a new boost as a fuel, especially for public transit.

LPG, thanks to its high octane, requires no lead, and its emission fumes are -- broadly speaking -- better, from the ecological point of view, than are emissions from conventional fuels.

### 3.6. Bottle deposits now mandatory

The bill modifying and amending PL 7 (2 Feb 73) which, among other provisions, contemplates mandatory deposits on gas bottles. already approved by the cabinet on 5 March 1982 and entrusted to Chamber's Industry Commission for consideration, then lapsing when Parliament was dissolved in 1983, will be brought up again as soon as possible in the cabinet.

Should this bill become a regulatory measure, retaining the same criteria which it now contains, there should be no significant changes insofar as use of the bottles is concerned.

This bill, in fact, with its requirement for deposits on all gas bottles, is primarily designed as a guarantee that there will be no shortage of gas bottles.

### 3.7. Rules and Regulations concerning the safety, storage, distribution, and use of gas-bottles.

Updating the rules covering the various phases of distribution and use of LPG can, in several ways, directly or indirectly, affect market consumption.

The sector is heading toward high-tech solutions to the safety problems concerned with handling and use of LPG and hopes that a modicum of updating in the regulations, now under way, will take account of that possibility, so as not to have any adverse impact on its market.

Enlightening in this connection is the recent issuance of the decree signed by the Ministry of Interior and the Ministry of Industry: "Security regulations for design, construction, installation and operation of liquified petroleum gas depots with a total capacity not in excess of 5 cubic meters."

This ministerial decree, after years of gathering dust, has banished fears expressed in the past by the authorities responsible for inspection of plants and installations and will certainly, in view of the technological solutions called for, have a salutary effect on the availability of LPG in small tanks, for household, commercial, and trade use as well as in agriculture.

Among the standards now undergoing revision which could boost LPG consumption by motorists is the Interior Ministry's forthcoming set of new regulations governing storage and safety measures connected with small LPG service stations.

The modernization of service stations called for by the decree issued on 31 December 1982, which contemplates the possibility of getting rules established for LPG automobile service stations at the individual regional level, up to a maximum of 3 percent of all service stations, while it bans new LPG stations from any region that has already reached that percentage level, it affords opportunities for growth in other regions where the number of stations is well below that percentage.

The sector believes, however, that current technology and even more that of the future, together with better training for the sector's technicians, will be enough to solve safety problems that used to depend for solutions on regulations laying down hard-and-fast rules about safe isolation distances which were not always practicable or involved extremely high costs.

### 3.8. Modernizing bottling and distribution operations

Over this period we shall have to modernize bottling and distribution facilities, which some companies are already in the process of doing.

The fact is that the steady rise of costs together with the need to keep the prices competitive is going to incite groups of operators to pool their resources so as to achieve better management of their bottling and distribution operations.

The experts believe that in the future a number of bottling plants can be shut down and others expanded without wasting resources; meanwhile, the distribution system will gradually be thinned out and relocated to as to respond to users' requirements more expeditiously. These operations, in addition, will also provide far sounder guarantees on all aspects of safety.

### 3.9. Tax Position for LPG and petroleum products in general

Yet to be considered are variations, over the period in question, in the tax posture of LPG and other petroleum products to which LPG might be considered an alternative.

### 4. Estimate of LPG demand trends in the conventional market over the 1985-1990 period.

The effects of the events which the experts predict will take place over the period in consideration were the target for close analytical scrutiny, leading to a reliable estimate of demand.

Growth of the conventional market was considered for the following sectors: household, commercial/artisan, agriculture and fishing, gas plants, industry, and automotive transport. No differentiation was made as to type of packaging or tax status of the product utilized.

LPG DEMAND ESTIMATE 1985-1990  
(by market sector)

Year	Household	Stores Shops	Farming Fishing	Gas Plants	Industry	Auto Transit	TOTAL
1985	1,060	160	65	40	355	655	2,335
1986	1,065	160	70	30	330	640	2,295
1987	1,085	160	75	30	315	640	2,305
1988	1,105	160	85	30	290	660	2,330
1989	1,130	155	85	30	270	695	2,365
1990	1,150	155	85	30	270	735	2,425

The estimate clearly shows the drifts between 1985 and 1980 by market sector.

#### 4.1 Household Sector (+8.5%)

The household sector will undergo some decline in demand, especially in kitchen use as a result of the planned replacement, particularly in urban areas, of LPG bottles with natural gas delivered by the system, which, as noted earlier, will undergo major growth over the period.

LPG consumption, especially in bottles, will be vulnerable everywhere the connection costs for using natural gas are not particularly heavy.

Forecasters say, however, that this decline in demand will be offset to a considerable degree when LPG becomes available in small tanks, by virtue of LPG's expected competitive edge over gasoil in home heating as well as for cooking and hot water.

This phenomenon will be enhanced by the growing demand for independent heating installations and particularly in the vacation condominiums now going up in holiday places far from the natural gas system.

#### 4.2. Small merchants/tradesmen (- 3%)

Like the household market, this sector's consumption of LPG will probably decline in the merchant (retail) sector as it switches to piped-in natural gas.

The artisan operations should not show any appreciable decline, mainly because this sector very often needs movable containers.

#### 4.3. Agriculture and fisheries sector

This sector is less vulnerable to the lure of piped-in natural gas because of the need in a good many circumstances for movable containers, or as a result of the isolated areas in which the farm operators are most frequently found, where there will be a marked increase in consumption.

#### 4.4. Municipal gas plants (- 25%)

Municipal gas plants providing LPG serving isolated towns are expected to survive when consumption is not very heavy, in view of the high cost involved with tying into the natural gas distribution mains.

Furthermore, some of these plants could be converted to natural gas where such a move proves economically sound; LPG consumption may continue to rise, though not in the bottle-gas form, should construction of propane-air plants be found economically feasible.

#### 4.5. Industry (- 24%)

Wherever tapping the natural gas distribution mains becomes cheap, LPG consumption will gradually be replaced by natural gas use.



#### 4.6. Automotive sector (+ 12%)

The impact of the super-tag rule for cars using LPG, which goes into effect as of the start of 1985, will inevitably do away almost entirely with the practice of filling tanks from bottles in areas where there is already an adequate service-station structure in place.

It is also predicted, however, that in 1985 we shall see a drop in consumption, because motorists in areas where there are not enough service stations will not believe they can run their cars on LPG at all times, and turned off by the super-tag, will either drop back into the lower reaches of the optimal mileage chart or will shift to gasoline and move up into the higher mileage range.

Consumption, which reached a low in 1986-87, will rise in 1988 thanks to a planned expansion of the distribution system and, beginning in 1989, in response to the introduction of low-lead gasolines, in anticipation of adoption of LPG for use by the public transit systems.

YEAR	BOTTLES	SERVICE STATIONS	STATION BLENDS	TOTAL
1985	1,120	400	815	2,335
1986	1,030	450	815	2,295
1987	980	500	825	2,305
1988	955	550	825	2,330
1989	925	600	840	2,365
1990	895	650	880	2,425

The forecast shows the expected variations according to delivery forms.

#### 5.1. (- 2%)

The predicted decline of bottle sales comes as a result of two factors combined: introduction of the super-tag for LPG-powered cars and the expansion of the natural gas distribution system.

The sharpest decline will come in 1985 and 1986 (12.5%).

#### 5.2. Small tanks (+ 62.5%)

The marked increase predicted in demand for LPG in small tanks is very closely linked with the imminent expansion of its use for home heating, due in large part to its likely competitive edge by comparison with heating oil and the ever-wider distribution of independent installations.



### 5.3 Station blends (+ 8%)

No perceptible variation expected until 1988. The increase anticipated for 1989 and 1990 will come primarily from automotive demand.

### 6. LPG as feed-stock for petrochemicals

Utilization of LPG as petrochemical feed-stock may be in large demand, given the chance that it will become competitive with Virgin Naphtha for use in cracking towers designed for production of olefins (ethylene, propylene, butadiene, etc.), which are of course the raw materials most widely used in the petrochemical industry.

LPG, and especially butane, according to the type of fractionation used, can give yields of olefins comparable with those from Virgin naphtha, barring the yield in aromatic fractions, which means that its newly competitive stance vis-a-vis Virgin Naphtha may well, in the medium-to-long term, justify investment in reception facilities, now quite limited.

Even assuming that LPG's competitive edge over Virgin naphtha can grow even more competitive, we should do well to remember that it is highly unlikely that we shall achieve anything like a massive takeover of current market shares: that sobering thought calls for a hedge on all predictions.

The best current estimates for LPG consumption as petrochemical feedstock tell us that it will hold for 1985-1990 at 300,000 tons.

### 7. LPG Availability from Italian Refineries

In the light of the forecasts on oil consumption over the period in question and on the basis of available estimates on the crudes that will be processed in our refineries, opinion has it that the years from 1985 to 1990 will be years of substantial stability in processing, including the output from gas separation from oil during the extraction process.

That amount of raw material processed, set now at 80 million tons per year, if you accept a yield of 2.5 percent, will work out to production of 2 million tons of LPG per year.

It appears likely that in 1989 and 1990 some LPG (butylene and isobutane) can be taken off the conventional market and earmarked for production of alkyl components which encourage production of super-high-octane gasolines (TON 96) which are balanced and lighter, particularly with respect to lead-based additives.

Meanwhile, as is already happening in Germany, it appears likely that the trend will be more markedly toward gasolines richer in aromatic fractions, about 40 percent, which would mean higher production levels for platformates and hence for LPG.

Inasmuch as it is reasonable to believe that the Italian refiners may also turn toward MTBE or alcohols, we think that alkylizing and platforming operations will be offset insofar as regards LPG and that LPG production for the general market will not vary to any substantial degree from previous years.

A look at the LPG forecasts for 1985-1990 shows that, assuming that use of LPG utilization as petrochemical feedstock holds at present modest levels (300,000 tons per year) we now have, the level of imports, barring a drop in 1976, will gradually rise over the period to hit 825,000 tons by 1990.

#### 9. Impact of Consumption Levels on Imports Necessary to Meet the Nation's Requirements

At present the import level, aside from the slight decline forecast for 1986, will not vary much from the level of imports in the near future through 1988. Beginning in 1989, that level will almost certainly rise slightly.

Possible -- though not yet predicted -- massive increases in consumption in the petrochemical sector must obviously be supported by new reception infrastructures, and the petrochemical industry will have to take steps to provide such facilities.

In any case, it is to be hoped that companies will come forward as soon as possible with initiatives for building coastal off-loading terminals in locations closest to demand centers, big enough to handle at least the current levels of overland deliveries (some 230,000 tons or so for the conventional market), thereby guaranteeing the major processors reliable supplies at more competitive costs.

#### 10. Conclusions

In light of the impact currently predictable events could have on the LPG market, the shape of the LPG market for 1985-1990 is likely to look something like this:

##### Traditional Market

Substantial stability in overall consumption with offsets for individual market sectors in the first 4 years and slight increases in 1989-1990 due particularly to motor vehicle utilization.

##### Petrochemical Feedstocks

Substantial stability in consumption. That trend could be reversed in the direction of massive increases which right now are problematic, thanks to the widespread availability of imported LPG and hence to highly competitive pricing.

Massive consumption of LPG as petrochemical feedstock can be justified only at the economic level and on the level of a sober prediction of continued flow of supplies at competitive prices vis-a-vis Virgin Naphtha, such as to justify investments in reception terminals in proximity to petrochemical plants.

#### Bottom Line for LPG

The production and import level looks very much like the present one up to 1988, apart from a slight decline predicted in 1986.

Beginning in 1989, since production is expected to hold at around current levels until 1990, imports will increase slightly, primarily in response to demand for use of LPG as automotive fuel.

#### 8. LPG OUTLOOK FOR 1985-1990 (in thousands of tons)

Total, raw materials processed by the refineries	1985	1986	1987	1988	1989	1990
	80,000	80,000	80,000	80,000	80,000	80,000
<u>Availability</u>						
LPG production (2)	2,000	2,000	2,000	2,000	2,000	2,000
Imports	735	695	705	730	765	825
STOCK ON HAND	----	-----	-----	----	----	----
TOTAL:	2,735	2,695	2,705	2,730	2,765	2,825
<u>UTILIZATIONS</u>						
Conventional market	2,335	2,295	2,305	2,330	2,365	2,425
Petrochemicals	300	300	300	300	300	300
Exports	100	100	100	100	100	100
TOTAL:	2,735	2,695	2,705	2,730	2,765	2,825

(1) Includes amounts derived from separation from petroleum at time of extraction.

(2) Includes quantities shipped to all petrochemicals plants, does not include consumption and loss levels.

## PETROLEUM UNION ESTIMATES ON ENERGY DEMAND TO 1990

Rome RASSEGNA PETROLIFERA in Italian 17 Sep 84 pp 830-833

[Text] The Petroleum Union has released a report on forecasts of the demand for energy and petroleum products in Italy through 1990. The underlying assumptions include a continuation of the present downward trend in the role of petroleum, a price trend marked by a moderate decline until 1985-1986, with a gradual recovery thereafter, a 2.5-percent mean annual growth in GNP, with the nuclear power plant at Montalto di Castro still seen as the only one to come on line before 1990. Table 1 shows a summary of the preliminary findings in the report and a comparison with the figures for several years prior to this one. According to the report, 1983 should be the last year of decline in energy use on the Italian market, with recovery slated for 1984 up to about 154 million ETP for 1990. The mean annual increase over 1983 is estimated at 1.6 percent, and cites a lessened market share for crude oil, reckoned at 55 percent in 1990 (vs. 67.5 percent in 1983), although oil will still be the main energy source on our market. Growth is forecast, however, for other primary energy sources, particularly for natural gas which, after years of stable demand, should experience sharp increases in the course of this year. In 1990, the natural gas share should reach about 21 percent, while that of solid fuels, also rising sharply, would come to 13 percent. Consistent with these hypotheses, primary electric power will rise moderately. Looking closely at the estimates reached for oil demand, broken down according to major products and sectors of utilization, we see that there will be stability in consumption of petroleum products for automotive fuel for the next several years and a decline to 1973 levels by the year 1990: this would be attributable to lower average driving mileage and to reduced unit consumption, despite an increase in the number of automobiles on the road (estimated increase from the current 17 million to 17.7 million vehicles). Jet fuel consumption should continue to rise as it has since 1981, while demand for oil is expected to decline to minimal levels by 1990. Demand for diesel fuel for automotive use is expected to continue climbing as it has since 1984, when it passed gasoline, and by 1990 to hit about 15 million tons (topping gasoline by 3.7 million tons, with the increase over current demand charged mainly to new diesel cars (up from the estimated 2.2 million

TABLE I. SUMMARY OF FINDINGS: PRIMARY ENERGY DEMAND (Millions ETP)

	1973	1979	1980	1981	1982	1983	1984	1985	1990
Solid fuels	10.2	11.3	12.5	13.5	14.1	13.1	13.9	15.0	20.0
Natural gas	14.3	22.9	22.8	22.1	22.0	22.5	24.3	26.1	31.8
Primary electric power	10.0	12.7	12.9	13.4	13.4	14.0	14.3	14.6	17.5
Oil	105.3	102.1	98.8	94.6	90.5	89.1	88.8	88.5	84.8
*TOTAL:	139.8	149.0	147.0	143.6	140.0	138.7	141.3	144.2	184.1
% Variation		1.1	(1.3)	(2.3)	(2.5)	(0.9)	1.9	2.1	1.4



TABLE 2. ESTIMATED DEMAND FOR PETROLEUM PRODUCTS (thousands/tons)

	1973	1979	1980	1981	1982	1983	1984	1985	1990
Gasoline, Auto.	11.150	11.960	12.090	12.000	11.950	11.540	11.600	11.600	11.100
Gasoline, Farm	101	168	186	181	180	180	185	185	200
Jet fuel	1.680	1.598	1.611	1.496	1.561	1.675	1.720	1.770	1.900
Heating oil	2.150	1.101	786	622	504	450	400	370	200
Heating oil, Farm	71	33	36	27	23	20	20	15	—
Gasoil, engines	4.940	9.680	9.780	10.642	11.406	11.230	12.120	12.730	14.830
" heating	11.450	12.370	11.750	10.650	10.190	10.700	10.000	9.700	8.000
" marine	350	376	371	375	358	345	360	370	400
" farm	1.155	1.455	1.468	1.398	1.396	1.390	1.400	1.430	1.600
" generators	—	—	246	362	163	61	50	50	—
TOTAL GASOIL	17.895	23.881	23.615	23.427	23.513	23.726	23.930	24.280	24.830
Power plant fuel	15.450	18.270	19.420	19.840	17.810	16.940	17.000	16.500	14.500
Ind. boiler fuel	18.500	15.100	14.020	12.310	10.500	9.810	9.300	8.700	7.500
Ind. heating fuel	6.050	4.140	3.140	3.100	2.570	2.410	2.200	2.100	1.700
TOTAL HEATING OIL	40.000	37.510	36.850	35.250	30.880	29.160	28.500	27.300	23.700
LPG	1.860	2.105	2.190	2.243	2.258	2.360	2.400	2.460	2.650
Lubricants	545	632	635	613	584	570	580	590	630
Bitumens	2.110	2.012	2.030	1.876	1.872	1.860	1.900	1.900	2.000
Petroleum coke	1.580	950	945	1.138	1.103	1.240	1.500	1.600	1.600
Net petrochem.	8.350	7.533	7.344	7.014	6.322	6.620	6.800	7.000	7.000
* Total transfers	87.496	89.483	88.318	85.857	80.750	79.451	79.535	79.070	75.810
Bunkerage	7.451	5.194	4.283	3.998	4.168	3.307	3.300	3.300	3.000
Ref. cons./losses	7.218	6.900	6.033	5.777	5.774	5.913	5.965	6.130	5.990
*TOTAL DEMAND	102.165	101.571	98.634	95.662	90.692	88.671	88.800	88.500	84.800
Stocks on hand	—	+482	-320	+1088	+4981	-422			
*TOTAL Consumpt.	102.165	101.095	98.954	94.574	90.194	89.093	88.800	88.500	84.800

Table 4 ELECTRIC POWER PRODUCTION (Millions kw)

1973	1979	1980	1981	1982	1983	1984	1985	1990	1995
137.662	175.409	180.250	179.104	179.410	181.673	185.700	191.300	219.000	245.000
(879)	(5.393)	(6.083)	(9.632)	(7.151)	(11.082)	(10.000)	(10.000)	(8.000)	(5.000)
136.783	170.016	174.167	169.472	172.259	170.591	175.700	181.300	211.000	240.000
8.735	11.248	11.574	12.184	12.185	12.249	12.500	13.200	15.000	17.000
145.518	181.264	185.741	181.656	184.444	182.840	188.200	194.500	226.000	257.000
39.125	48.212	47.511	45.736	44.080	44.210	45.000	46.000	48.500	50.000
2.480	2.500	2.672	2.664	2.737	2.715	2.700	2.700	3.000	4.000
3.142	2.628	2.208	2.707	6.804	5.784	7.500	7.700	19.900	60.000
100.771	127.924	133.350	130.549	130.823	130.131	133.000	138.100	154.600	143.000

KEY: (Top to bottom)

- |                                    |                                  |
|------------------------------------|----------------------------------|
| (1) Energy required on grid        | (5) GROSS PRODUCTION, including: |
| (2) Net imports                    | (6) Hydraulic                    |
| (3) Output for consumption         | (7) Geothermal                   |
| (4) Auxiliary services and pumping | (8) Nuclear                      |
|                                    | (9) Conv. thermal                |

Table 5. NUCLEAR POWER PRODUCTION SCENARIOS

	1973	1979	1980	1981	1982	1983	1984	1985	1990	1993	1995
Potenza L. installata (MW) (A)											
- Trino Vercellese (1)	260	260	260	260	260	260	260	260	260	260	260
- Garigliano	160	160	160	160	-	-	-	-	-	-	-
- Latina	160	160	160	160	160	160	160	160	160	160	160
- Caorso (2)					890	890	890	890	890	890	890
- Montalto di Castro									2.000	2.000	2.000
- Nuova Piemonte										1.000	2.000
- Lombardia										1.000	2.000
- Puglia											1.000
- 4* Nuova											1.000
* TOTALE (3)	580	580	580	580	1.310	1.310	1.310	1.310	3.310	5.310	9.310
Ore/anno di attivita (B)	5.417	4.531	3.807	4.667	5.194	(2) 4.415	5.700	5.900	6.000	6.200	6.500
GWH Prodotti (C)	3.142	2.628	2.208	2.707	6.804	5.784	7.500	7.700	19.900	32.900	60.000
pari a MTEP (D)	.7	.6	.5	.6	1.5	1.3	1.6	1.7	4.4	7.2	13.2

Key:

- |                          |                  |
|--------------------------|------------------|
| (A) Installed power (MW) | (C) GWH produced |
| (B) Hours/year on line   | (D) Total M ETP  |

FOOTNOTES

- (1) Was shut down in 80-81-82 (real hrs/yr on line are thus higher)
- (2) Caorso shut down some months in 1983 for fuel replacement.
- (3) Also available in 1984: 400 MW as Italy's Superphenix quota (to be considered as imports).

TABLE 6

## THERMAL ELECTRIC POWER GENERATION and FUEL OIL REQUIREMENTS

1973	1979	1980	1981	1982	1983	1984	1985	1990	1995
100.771	127.924	133.350	130.549	130.823	130.131	133.000	138.100	154.600	143.000
4.499	11.088	9.228	8.672	11.985	13.200	17.000	19.200	19.200	19.200
1.856	10.057	13.244	16.203	19.957	20.000	21.550	25.150	48.500	67.500
1.213	1.335	1.268	1.192	1.272	1.100	1.200	1.200	1.200	1.200
7.396	5.664	5.891	6.830	5.899	5.400	5.600	6.000	6.000	6.000
85.807	99.779	103.723	97.852	91.710	90.431	87.650	86.550	79.700	49.100
19.0	22.0	23.0	21.7	20.5	20.1	19.5	19.2	17.6	10.8
15.4	18.1	19.3	18.2	17.4	17.2	16.5	16.1	14.1	7.1
3.3	3.5	3.4	3.2	2.8	2.6	2.7	2.8	3.2	3.4
0.3	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3
15.5	18.3	19.4	20.0	17.8	16.9	17.0	16.5	14.5	7.5

## KEY (Top to Bottom)

- |                                |                             |
|--------------------------------|-----------------------------|
| (1) Total in millions kwh      | (7) Input fuel oil (M ton)  |
| (2) From natural gas           | (8) ENEL share              |
| (3) From coal                  | (9) Plant-produced          |
| (4) From lignite               | (10) Municipality-produced  |
| (5) From other fuels (not oil) | (11) Demand for fuel oil to |
| (6) From fuel oil              | fire generators             |

tons for 1983 to 4.2 million tons in 1990, and the rest for undustrial vehicles, buses, etc.). The forecast decline in gasoil for home heating (partly replaced by natural gas), will offset the earlier increase, and hence by 1990 the total consumption of gasoil should rise by only 1 million tons as against the 23-24 million tons used in 1979. The overall decline expected on the Italian oil market will therefore come as a result of the decline in fuel oil use, which is expected to drop some 5.5 million tons below 1983 sales, almost equally divided between power generation and industry. All other minor products are expected to show gains, as is the petrochemicals share, for which overall gains are predicted from about 13 million to 14 million tons. Views on natural gas consumption, the major threat to petroleum derivatives, are projected in Table 3, in billions of cubic meters.

Growth is estimated beginning in 1984 and concentrated on demand from industry and households, with a speedup in the former sector beginning in the next few years and in the latter after 1985. Coverage of the increasing demand is left, given continuation of the steady decline in domestic production, to African gas until 1985, and to heavier imports of Russian gas over the following 5 years. Specifically for 1984 we shall be relying solely on bigger imports of Algerian gas to meet the rising demand spurred by declining supplies of all other fuels. Among the many assessments made by the Petroleum Union for the next several years it is enlightening to look at those made for the electric power sector, the primary end-use source for the Italian market. The energy demand on the national power grid, including consumption and losses in transport and distribution, should rise from about 182 billion kwh in 1983 to 191 billion in 1985, 219 billion in 1990, and 245 billion in 1995. Note the rise in yearly percentage fluctuations, which after quasi-stability in 1981-1983, shot up by 2.2 percent in 1984 (up 1.3 percent over 1983) and by 3 percent in 1985, thus confirming the the probable continuation of the increase in consumption now under way. The forecast for 1985 to 1990 calls for an average rate of growth of + 2.7 percent per year, which will probably drop to 2.3 percent over the following 5-year period. In response to this rising demand curve, electric power production should follow more or less the path shown in Table 4, which works out to 6 million kilowatts of increase per year, beginning with this year, 1984. The bottom line for the import-export balance of electric power will continue to sulk in the red, but that will gradually turn around in response to the greater input of domestic production (the forecast draws attention to the very high peak reached in 1983 for purchases of electric power abroad). As in the past, coverage of domestic requirements is left to the thermoelectric sector, given the quasi-stability of hydraulic output, the persistently low input from geothermal energy sources (although it is on the rise) and the slowdown in nuclear power programs. As of 1988, however, there should be a speedup in diversification programs (affecting the nuclear and hydraulic sectors), which should become highly visible in 1990 when the nuclear power plant at Montalto di Castro comes on line.

As of that date, almost 10 percent of the national energy requirement is expected to be covered by nuclear sources, concentrated at the Caorso and Montalto plants.

The assumptions for nuclear power are detailed in Table 8, which shows the very secondary role of the older plants and the decline after 1990 of earlier plans to expand nuclear generation. After this date, there are new nuclear plants on the boards for Piedmont, Lombardy, Apulia, and other regions, about which there has been a great deal of argument for quite some time, and from which the planners expect an output equivalent to that of Montalto di Castro (2,000 MW). Total installed nuclear generation potential in Italy will remain at very low levels by comparison with other industrial countries, and even by 1980 will just begin attaining levels long ago reached by a number of countries (such as France). A leading role in electric power generation will thus devolve on thermoelectric generation and, as shown on Table 6, on fuel oil. In 1984 and 1985 the plans to expand the use of natural gas in power generation launched in 1981 should expire, while an increase in the use of coal to replace fuel oil for firing generators, currently slowed since the trend shown from 1979 to 1982. Consequently, it will not be until after 1985 that we shall see any significant decline in the use of fuel oil in power generation, although there will be continued erosion along the lines we have seen in demand since 1981. Oil-powered electric generating plants will account for about 60 percent of the total in 1985 as compared with 70 percent in 1983 and 65 percent in 1984. That share will drop sharply from 1990 to 1995 following the predicted switch to coal, which should be prevalent by the end of the next decade. In 1995, in fact, fuel oil's share of the power fuel market is estimated at a mere 35 percent or so, as opposed to the 47-percent share for coal, provided that the input from other fuels remains steady at 1985 levels. It is equally clear, though, that these forecasts are at odds with the implementation of the ENEL programs over the periods not indicated, which are, however, subject to delay or acceleration for various reasons.

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## SURVEY OF SPANISH THERMAL POWER PLANTS

Madrid LUZ Y FUERZA in Spanish Jul-Aug 84 pp 15-23

[Excerpt] As Spain's electricity sector came to realize the need to conserve petroleum, it began a major increase in its construction of thermal power plants, especially of coal-powered facilities. This started in 1973, a year in which our conventional thermal capacity exceeded our hydroelectric power. Beginning at that time, Spain initiated some major thermal power plant programs, especially coal-based programs, which culminated with the government's official recognition, expressed in its authorization of a new Accelerated Construction Program for Thermal Power Plants using Domestic or Imported Coal. Ten new plants with a capacity, when completed, of 4,640 MW, have been developed under this program. And at the same time, the following thermal power plants began to function: Teruel III, 350,000 kW; Puente Nuevo II, 440,000 kW; and Meirama, with a capacity of 500,000 kW. This brought the installed capacity of our coal-burning plants to 6,430 MW at the start of 1981. (The capacity of the coal-burning plants was 16.3 percent higher in 1980 than in 1979). The ten plants, once in operation, would replace 6.1 million tons of oil.

This construction, which was being carried out at the same time as the development of the carefully designed nuclear construction plan, was later combined, as we have seen, with the PA [Accelerated Program] for Coal-Powered Thermal Plants, which we are now discussing. This program is scheduled to be completed in 1985. Let us make it quite clear that the electricity companies supported this effort very enthusiastically, at the same time as they were engaged in a perfectly valid nuclear program, which had been approved in the BOE [Official State Gazette] at the appropriate time.

Finally, so that the development of our coal-burning power plants after the 1973-1974 oil crisis will be properly appreciated,

we should point out here that our coal-burning capacity now outweighs our liquid fuel capacity by more than 1 million kW, even though the electricity sector made a major effort during the 1960s to provide Spain with liquid fuel power plants, which at that time were economical and profitable to operate.

We should also note that Spain was in 21st place in per capita consumption among the 24 OECD [Organization for Economic Cooperation and Development] countries in 1981, with a per capita electricity consumption of 2,724 kWh, ahead of Greece, Portugal, and Turkey. Based on governments' actions in economic areas, this gives us cause to expect a prompt change supporting the use of electricity.

#### Almeria Coast Thermal Power Plant

In order to "compensate for existing territorial imbalances" evident in the Andalusian region, which is clearly disadvantaged in relation to other areas of our national territory, the Congress of Deputies in its 3 August 1979 session passed a resolution calling for the construction of two of the six thermal power plants scheduled in the National Energy Plan at that time within the Betica Community [Andalusia]. One was to be built within the territorial jurisdiction of Algeciras, and the other in Almeria, near the town of Carboneras, located on the coast 60 kilometers from the capital city. The Almeria area was to be provided with the energy service and distribution infrastructures (practically nonexistent in this area) needed for its natural development.

This site was chosen primarily to make use of the facilities recently completed for a cement plant owned by Hornos Ibericos, designed to produce cement for the export market. After appropriate modifications, as the cement plant had been built to operate on oil, the two facilities would be able to share a common power source, consisting of a certain quality of imported coal.

It was then recommended that the completion of both projects--the thermoelectric plant and the replacement of the power supply system in the cement factory--be done as quickly as possible. Everything feasible was to be done to protect the environment when the facility was operational.

Following the guidelines chosen, ENDESA presented a draft proposal for a thermoelectric power plant, consisting of one 550 MW unit. This facility could later be expanded to handle any possible future needs, by adding another new unit of the same capacity.

With these guidelines, the levelling work for the area of the possible new unit is now in progress, and the facilities designed for common use (coalyard, pipes for the main cooling unit, pumping station, and even a smokestack) are now being placed in an equidistant position, placed far enough away so that the cement work and construction of the second unit--if it is approved--will not impede operations at the original unit.

A suitable site on the coast was chosen, 2 kilometers south of the town of Carboneras, near the mouth of the Contraviesas Gulch, and near the cement plant. The site is suitable for earth-leveling work and has the potential for the construction of a coal unloading dock.

At this site, 43 hectares have been graded on different levels: 6, 10, and 17.52 meters above sealevel. The areas include the following features: the first level or low plant: plant area (boiler and turbine), a desalinization plant, storage, shops, and general services building. Second level: high voltage substation area, fuel storage, and other storage areas. Third level: coalyard area.

Along with this work, other smaller areas are also being graded for the placement of storage areas (for water, supplies, etc.), and to provide access to the plant.

The coal unloading port is designed so that it can be quite substantially enlarged without any major expenditures if that should become necessary in the near future, upon the connection of the project's second unit. This port provides access for ships with a capacity of up to 70,000 tons. After a second phase, it can be further expanded to handle ships of up to 120,000 tons.

Dual-circuit ore conveyor belts operate from the dock up to the sifting tower in the coalyard. They have a capacity of 2,200 tons per hour. There are other conveyor belts, also with a dual circuit system, with a capacity of 110,000 tons per hour, operating from the yard to the plant's intake chutes.

The discharge channel going from the plant to the sea has been placed outside the port's immediate area--north of it--but the main cooling water intake is located inside the port. It actually uses the breakwater as a thermal separator for both currents.

The pumping station is also housed within the port area, as a protective measure against marine inclemency and to prevent the infiltration of sand into the cooling pipes.

Both the water, an extremely important factor in the operation of any thermal power plant, and the fuels which will power its boiler, were studied very carefully so that the plant will be able to function at maximum efficiency, not only in terms of its energy production, but also in the essential areas of future maintenance and conservation.

The fuel specifications are given below:

Primary fuel:

Imported pit-coal (from Australia, South Africa, etc.)

Load percentage of the boiler: 100 percent

Analysis

Fixed carbon	52 %
Moisture	10 %
Volatile materials	25 %
Ash	13 %
Mountability (Hardgrove Index)	<50

The boiler has also been designed to be able to burn natural gas, and appropriate burners are included. With that fuel, its load percentage declines to 85 percent.

Soto de Ribera I and II

Located in the town of Ribera de Arriba, this facility is owned by Electra de Viesgo, Hidroelectrica del Cantabrico, and Compania Electrica de Langreo (HE). The two Soto de Ribera units are cooled with river water; their present power is 320,000 kW, and their production is 2.25 billion kWh. The facility burns coal--800,000 TEC [Tons of Coal Equivalent], which is the equivalent of 550,000 tons of oil. In 1984 Soto de Ribera will connect a third unit to the national power system; this is a 350,000 kW unit, with a production by itself of 2.45 billion kWh. It will consume about 770,000 TEC of coal, the equivalent of 530,000 tons of oil. The scheduled investment for Soto de Ribera III is 24 billion pesetas.

After these four large thermal power plants in Asturias, the northeastern zone also has the Gallegan thermal power plants, Puentes de Garcia Rodriguez, Meirama, and Anllares, leaving aside Sabon, which at present burns oil, although it can be converted to coal.



## Anllares

The planning and construction of the Anllares thermal power plant were completed in record time: it was connected to the network on 6 November 1982, 34 months after the date of the letter of intention requesting authorization for the major equipment, and 32 months after the start of the first earth-levelling work. The unit reached its full load with coal on 7 December, a month after the first connection.

Construction of this plant can be described as a race against time, a race that was obviously won, since the unit was ready for connection 4 months ahead of schedule. This record construction time seems even more spectacular when we recall that on 1 March 1980 there was no access road to the site, no water, no electricity. The only access to the site was by a local road that crossed the Sil River over an old Roman bridge.

The Anllares thermal power plant, owned by Union Electrica-Fenosa, is an excellent example of the hard work and sense of responsibility of Spain's electricity companies. For with a 4-month advance over the originally scheduled date, March 1983, the Anllares thermal power plant was connected to the network for the first time and began its production on 6 November 1982. This 4-month advance in the start of operation of Anllares, greatly appreciated at a time of hardship for hydroelectric production because of climate problems, even in Galicia where hydroelectric power is normally extraordinary, shows quite clearly what the good will and hard work of the electricity companies can do, if they do not have to deal with obstacles and difficulties outside of some well founded regulations established in advance, in this case by Fuerzas Electricas del Noroeste, S.A., within the National Accelerated Construction Program for Coal-Burning Thermal Power Plants.

The Anllares power plant, located in El Bierzo in Leon province, burns pit-coal and anthracite extracted from a mining region of the same name, which Fenosa purchased earlier in order to complete its production plan. Similarly, the Meirama thermal power plant was built in the coal-producing region of Meirama. There is also the Sabon thermal power plant, which now uses oil as a fuel. These plants have come to supplement the electricity supply in a structure relying preponderantly on hydroelectric power, as Fenosa did some years ago. Today Fenosa has joined with Union Electrica, S.A. in the Anllares thermal power plant, with its 350,000 kW and favorable location in a coal-producing area. This provides a major thermal boost for the considerable generating capacity which Union Electrica-Fenosa now has.



The Anllares unit, which as we said earlier, began its first production on 6 November 1982, 4 months ahead of the originally scheduled date, reached its full load with coal on 7 December of that same year, 1982. We want to emphasize the fact that the construction of this plant was completed in record time, since from the start of the first earth-levelling work until the connection to the network, only 32 months elapsed. This has confirmed the validity of the Accelerated Construction Program conceived by the government as part of the PEN [National Energy Plan], and adopted enthusiastically by the electricity sector. Of course, this construction speed is even more impressive when we consider the magnificent reality of this Anllares plant, which can be described as a real masterwork.

The site of the Anllares plant is extremely good, as it will have coal available for its use from Coto Cortes, Fabero, and Vellablino. There are also excellent facilities for transporting this coal to the Anllares site.

#### Guardo Thermal Power Plant

The start of service in 1985 of the expansion of the Guardo thermal power plant, with a second unit of 350 MW, will require a parallel investment larger than the 2 billion needed for improving the railway bed for the narrow gauge line between the mines and the plant.

The plant, owned by Iberduero, is located in Velilla del Rio Carrion (Palencia). Nearly 700,000 tons of coal will have to be transported to it each year from the Sabero, Leon, and Palencia mines.

The first investments, amounting to a total of 350 million pesetas for a new branch line 3 kilometers long between Guardo and Velilla and a 700-meter conveyor belt system from Rio Carrion to the thermal power plant, have already been approved. They will be financed by FEVE [Narrow Gauge Railways], Iberduero, the Castilla and Leon Board, and the state administration. The projects should be completed within 7 months.

The ministry of transportation is going to study an immediate investment for the total renovation of 120 kilometers of railway in the provinces of Leon and Palencia, at a total cost of 2 billion pesetas, if the forecasts for ore traffic become a reality. All the parties involved feel that these traffic forecasts will be accurate, and thus this project is practically a certainty.

Mining businessmen and representatives of FEVE have begun negotiations for a rate structure system that will make the amortization of these investments economically feasible, and will keep costs below the cost of highway transport.

Coal supplies for the new unit for the Guardo power plant, whose consumption will be over 1 million tons of coal a year, would apparently require almost 500 trucks if shipments were not handled by railroad, with large investments needed to improve roads, plus very high maintenance costs.

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FISHERMEN DEMAND SETTING UP BALTIC 'GRAY ZONE' WITH SOVIETS

Stockholm GNISTAN in Swedish 13 Dec 84 p 7

[Article by Christer Lundgren: "Fishermen Demand Gray Zone"]

[Text] "We naturally consider that it is correct and for the best that the area be Swedish. But since that is not accepted by our Soviet counterparts, it is urgent to find other solutions." That is what the Swedish Federation of Fisheries' Unions [SFR] wrote in a letter which was delivered to Prime Minister Olof Palme last Thursday.

The appeal to Olof Palme concerned the demand that the contested area east of Gotland should be a "gray zone," administered in common by Sweden and the Soviet Union.

Now it is international waters, and the fishermen are concerned that this will lead to depleting the fish.

"There is predatory fishing of salmon and cod," said the leader of the delegation MP Jens Eriksson, chairman of SFR.

Great Damage

As it is now, all the Baltic states plus transients fish in the Baltic in the 13,500 square kilometers which comprise the so-called white zone on Sweden's side of the middle line. Swedish fishermen consider that this intensive fishing is causing great damage to the fish stocks.

"It is an important reproduction area, and the availability of cod has declined."

The fishermen also demand that fishing in this area on the Swedish side of the middle line be regulated jointly by the Soviet Union and Sweden. Other nations, which do not have consideration for the stock, should be prevented from predatory fishing.

In their letter the fishermen especially pointed to Denmark's Minister of Fisheries, who has declared that catches within the white zone will not be counted in the Danish fishing quota.

## Very Pleased

"We know that the Russians want a gray zone, they say so every time that we negotiate. Probably it is more difficult to get a purely Swedish area, but that could perhaps also happen if we offer them certain fishing possibilities.

"We would be very pleased if Sweden unilaterally expanded its fishing zone. That is how it should be. But it is a manner of one large and one small," said Jens Eriksson.

This is not the first time that Swedish fishermen have put forth their demands. Since 1 January 1978, when Sweden established the fishing zone in the Baltic, SFR has called upon Foreign Minister Ullsten, Foreign Minister Bodstrom and now for the first time the prime minister.

## National Security

Sweden has so far rejected the demands for a "gray zone." In the first place it is in Sweden's interest that the Baltic not be changed to a closed inland sea, but remains an open sea with international waters. The area can certainly remain that even if the fishing zone is expanded, but the lawyers in the Foreign Ministry are afraid that the "creeping jurisdiction" will lead to foreign fleets being successively closed out of this sea, which would increase the Soviet Union's dominance over Northern Europe.

In the second place the establishment of a "gray zone" would be the same as recognizing the right of the Soviet Union on Sweden's side of the middle line, which would seriously undermine Sweden's position in negotiations over drawing boundary lines.

"We have waited many years for a solution of this problem. The situation is acute for fishing, but we understand the problems," said Jens Eriksson.

The fishermen judged that Olof Palme's reaction was more positive than they found during previous calls.

"Palme said that he is ready to take up the question when there is an appropriate opportunity. I felt that he meant that circumstances with the Soviet Union just now do not make it appropriate. The most positive aspect was that he was ready to almost immediately take up the issue with the other party leaders."

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